



Daily Report

China

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Daily Report

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3 December 1990

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General

Editorial on China's UN Security Council Vote

HK0112062090 Hong Kong WEN WEI PO in Chinese
1 Dec 90 p 2

[Editorial: "Another Embodiment of the Independent Foreign Policy of Peace"]

[Text] The United Nations Security Council yesterday adopted a resolution with 12 votes for, two against, and one abstention as an ultimatum to Iraq to withdraw its troops from Kuwait before 15 January, or the UN member states will be authorized to adopt all necessary means to preserve and implement relevant resolutions.

"All necessary means" include the use of means of war, yet the escalation scale of this kind is hardly predictable. Iraq has made its reaction to the UN resolution, refusing to withdraw its troops before 15 January. Instead, it has sent 200,000 more troops to Kuwait. The United States also sent more warplanes to the Gulf. With swords drawn and bows bent on both sides, the atmosphere has further deteriorated.

Unless it has cold feet, Iraq is faced with a devastating war. The oilfields and residential houses in Iraq and Kuwait will undoubtedly be razed, and the Gulf countries, even the whole Middle East, will also be involved, to say nothing of military and civilian casualties. As a result, industrial countries all over the world will be affected with rising oil prices and inflation, and will enter an economic recession next year. Eastern Europe, which is in urgent need of Western financial aid, will become more distressed and disappointed. Efforts of Third World countries to develop the people's livelihood will also be frustrated.

The United States and Britain are two countries vigorously advocating the use of force. Bush and Major should also make careful calculations on the consequences brought about by the use of force. According to analysis in some foreign reports, once a war breaks out, it may not necessarily be favorable to the United States. Anti-war demands can already be heard inside the United States, asserting that it will be more effective to continue the embargo and exert political pressure on Iraq to press for peace. Those who oppose a Gulf war are worried: Troops were hastily sent to the Gulf on the assumption that victory can be won in a short time. In case the results turned out to be contrary to expectations and the war become a long-term one, the whole generation in the United States would have to pay a heavy price. Even in the U.S. Congress, endless debates are carried out centering on the rise of military expenses and the financial deficit.

The new Major administration is also faced with economic problems. A big increase in military expenses caused by a war will add to the difficulties faced by the new government. For fear of harming the relations between the United States and itself, Britain has to adopt

a pose of "advocating a war." It should have a pretty good idea of its gains and losses once a war really breaks out.

Before voting in the UN Security Council, all countries focused their attention on China's stand and vote. This is because China's vote is of great significance: If China exercised its veto as a permanent member state, great changes might take place in the entire situation.

By abstaining from voting, China has made it clear that it has a stand different from that of the other four permanent member states, and it always has its own independent and consistent stand.

Over a long period of time, the United States and the Soviet Union have contended with each other over the Middle East and their interests have long been involved in the region. China, however, has no private interests in the Gulf region and its only concern is the peace and stability of the region. The Chinese Government holds that China is in favor with some content of the resolution that demands that Iraq unconditional withdraw its troops and the implementation of relevant resolutions of the Security Council. That is why China did not cast a negative vote. It is difficult for China to cast an affirmative vote, however, because the resolution also authorizes member states to use force, which goes against China's consistent stand of resolving the problem through peaceful means.

It is China's stand that as long as there is still a gleam of hope, force will not be used. An armed resolution will cause great damage to all parties concerned. Most countries in Asia share similar views and stands with China. History will also prove that China's stand is for the good of the people of the whole world and it can stand the test of time. After a cool-down period, anyone would admit that China is firm in its principle, consistent in its stand, prudent in its way of handling things, and comprehensive in its consideration. China's independent foreign policy of peace has been carried out all along and embodied in all aspects. It is even more obvious that, compared with the change of stand of a certain country, China will never barter away important principles of world peace for its own private interests. China held this stand in August when clouds first gathered over the Persian Gulf. Now, after four months, China still upholds the same stand.

Security Council Members Plan Dec Meeting

OW0312024690 Beijing XINHUA in English
0218 GMT 3 Dec 90

[Text] Paris, December 2 (XINHUA)—The five permanent members of the United Nations Security Council will meet again in Paris around December 18 to decide on a document of final pressure on Iraq. French Foreign Minister Roland Dumas said today.

Dumas told the "LIBERATION" newspaper that the five permanent members—France, China, Britain, the

United States and the Soviet Union—decided at the United Nations last week to make separate persuasive contacts with Iraq as the last resort for it to withdraw from Kuwait before January 15, the U.N. deadline for legalizing the use of force.

Dumas also said he may go to Baghdad, but insisted that the five send Iraq the same firm signals.

'Roundup' Views Multinational Trade Talks

OW0112214590 Beijing XINHUA in English
1612 GMT 1 Dec 90

["Roundup by Yang Yuanhua: Multinational Trade Talks Catch World Attention"—XINHUA headline]

[Text] Brussels, December 1 (XINHUA)—Ministers from 107 countries and areas will gather here next Monday for a meeting in a bid to end the four-year eighth round of multinational trade talks, known as the Uruguay Round. The Uruguay Round, formally started by the General Agreement on Tariffs and Trade (GATT) members in Uruguay in 1986, aimed to oppose trade protectionism, promote free trade and improve the world's trade system.

The talks, believed to be the most complicated in GATT history, not only concern the relations between the South (developing countries) and the North (developed countries), the North and the North, the South and the South, but also the functions and prospects of the future world trade system, thereby attracting the close attention of the countries.

The Western economies are now being threatened by turmoil and recession and a slow growth rate, in addition to serious unemployment, increasing deficit and trade disputes. They in turn affect the development of the world's economy and trade in general.

The developing countries have appeared to be the first to bear the brunt of the Western trade protectionism that brings to them slow economic growth, worsening trade conditions, and decreasing foreign currency reserves. Owing to their slower trade development in comparison with the developed countries, they have experienced a sharp decrease in their share in the international trade, with most of them still in the development crisis.

The international community has been alerted by all these problems and thus will try to tackle them in Brussels next Monday.

Actually, the Uruguay Round met a series of problems and difficulties as soon as it was started four years ago, apparently because it had to solve 15 issues of immediate interests to the participating countries.

Its negotiation committee has in the past four years held more than 25 formal meetings to study over 1,000 proposals and documents, but was able to produce a package of documents to be reviewed by the ministers in the coming meeting only till November 27.

However, sources say, serious differences on the key issues still exist in the package which does not cover issues of agriculture, dumping and investment.

Therefore, there will be no "basis for negotiations" on these issues when the ministers meet next Monday.

Besides, differences still remain on the service trade, textile products and garments that directly concern the economic interests of the developing countries.

Sources here say the success of the coming meeting depends on the handling of the agricultural products issue. The U.S. and the Western European countries have been wrangling over the issue of farm goods subsidies in a bid to protect their own markets.

On the issue of the service trade, the U.S. said recently it would not agree to the adoption of the most-favoured-nation treatment and proposed that the marine and air transportation and telecommunications be excluded from the GATT principles.

To this, the European Economic Community has expressed its strong opposition, pointing out that no agreement on the service trade will be made unless the U.S. makes concessions.

A senior GATT official gave a warning recently that the multinational trade talks are now "in danger," appealing to the participating countries to show their will for political cooperation and reach agreements in the meeting. Otherwise, added the official, all the countries would be "losers" with the developing ones suffering the most.

Though it is hard to predict what will come out of Monday's meeting, it will nevertheless be decided to a great extent by the spirit of cooperation and compromise on the part of the GATT members, the U.S. and the Western countries in particular.

Sources say the talks will be hard because they deal with major issues in today's world economy and trade.

Trade Talks Analyzed

OW0112080090 Beijing XINHUA in English
0717 GMT 1 Dec 90

["News Analysis by Sun Weijia: Trade Talks on a Knife Edge"—XINHUA headline]

[Text] Brussels, November 29 (XINHUA)—Ministers from 107 countries meet here from Monday to Friday next week to try to bring the deadlocked multinational trade talks, known as the Uruguay Round, to a successful conclusion.

The Round, the eighth world-wide free trade talks unprecedentedly involving service trades, property and trade-related investments, was started by the General Agreement on Tariffs and Trade (GATT) in Uruguay in 1986. The aim is to break down tariff barriers and shape the pattern of world trade into the next century.

The past four years have seen fierce bargaining and argument, with little progress being made in four of the 15 issues.

The agricultural subsidy issue, concerning as it does the livelihoods of tens of thousands of farmers in each of the countries concerned, has become the key to the success of the Round.

Two groups have come into being, differing over how much subsidies to farmers should be cut.

The "Cairns Group", which includes 15 farm products exporters, including the United States, Canada, and Australia, maintain that over the next ten years, farm subsidies should be cut by 75 percent and export subsidies by 90 percent. But the European Community countries, whose farm products cost more than those in the Cairns Group countries, are insisting that the cuts in the ten years from 1986 be no more than 30 percent.

Great differences also remain over the service trade, which makes up some 60 percent of the gross national product in developed countries. The United States does not want air freight, shipping and the electronics industry included in the talks, while the EC countries do.

It is these major disagreements, together with those in talks on anti-dumping and investment-related measures, which have brought the current round to the verge of collapse.

However, all the countries involved, including the United States, Canada and those in the EC who have benefited over the past 40 years from the free trade pattern of the world, do not want the Round to fail, for this would mean stronger trade protectionism and a shrinking volume of world trade.

But observers here speculate that the current intransigence may be simply tactics and concessions may come at the last minute to save the talks from collapse. The meeting then may continue beyond five days to produce limited agreements.

Report Views China's Foreign Trade

OW2211081490 Beijing XINHUA in English
0735 GMT 22 Nov 90

[Text] Beijing, Nov 22 (XINHUA)—China's total import and export volume in October reached 10.43 billion U.S. dollars-worth, a 12.1 percent increase over the same month last year, according to the Beijing-based journal, "INTERNATIONAL BUSINESS".

Statistics from the General Administration of Customs reveal that of this figure 5.88 billion U.S. dollars were earned from exports, a 27.4 percent increase over the same month last year.

The value of export products made of imported materials reached 1.43 billion U.S. dollars, 34.6 percent more than in the same month last year.

The statistics show that from January to October export volume added up 47.25 billion U.S. dollars-worth, 15.7 percent higher than in the same period of 1989.

The administration reported that the trade volume between the Chinese mainland and Hong Kong topped all others. The total import and export volume between the two in the first ten months reached 32.35 billion U.S. dollars-worth; of this figure 21.08 billion U.S. dollars were earned from exports, and 11.27 billion U.S. dollars were spent on imports, 19.21 and 9.94 percent, respectively, higher than in the same period last year.

The total trade value between China and Japan reached 12.38 billion U.S. dollars in the first ten months, the second-highest. Of this figure, China earned 6.6 billion U.S. dollars from exports, a 1.67 percent increase over the same period last year, and spent 5.77 billion U.S. dollars on imports, 32.66 percent lower than in the same period last year.

The trade volume with the European Economic Community (EEC) reached 10.23 billion U.S. dollars in the first ten months. The export volume reached 4.24 billion U.S. dollars-worth, a 13.09 percent increase and imports were worth 5.99 billion U.S. dollars, 17.79 percent lower than in the same period last year.

Between China and the United States the total export volume reached 3.89 billion U.S. dollars, a 17.56 percent increase over the same period last year; the import volume reached 5.13 billion U.S. dollars-worth, 19.14 percent lower than in the same period last year.

Exports to the Soviet Union in the same period reached 1.58 billion U.S. dollars-worth, a 13.49 percent increase, and imports were valued at 1.64 billion U.S. dollars, 1.35 percent lower than in the same period last year.

In addition, the trade volume with Singapore reached 2.17 billion U.S. dollars-worth; with Taiwan, 1.78 billion U.S. dollars-worth; and with South Korea, 364.83 million U.S. dollars-worth, the administration reported.

World Bank Loan Recipient Confident of Future

HK2911013490 Beijing CHINA DAILY in English
29 Nov 90 p 4

[By Chen Xiao]

[Text] One of China's agricultural investment companies is confident of playing a major role in the future development of agriculture thanks to its commitment to the efficient use of funds.

The China Trust and Investment Corporation for Agricultural Development (CTICAD), headquartered in Beijing, is preparing to distribute major loans to be supplied by the World Bank, and has plans to invest in export-oriented projects.

The company seems much more confident than it was in July last year when the State Council was streamlining companies in a bid to crack down on corruption.

"We support exemplary and key projects to promote and provide services for agricultural development, and improve the efficient use of funds," said Gong Chengxi, general manager of the company, in an interview with CHINA DAILY.

"My colleagues' painstaking evaluations have ensured high efficiency of investment," Gong said, explaining why the CTICAD had survived last year's streamlining.

Gong said his company was preparing to distribute the World Bank loans which would be supplied in the near future.

According to the Ministry of Finance, the World Bank had so far invested \$2.2 billion in supporting 22 agricultural projects to forward China's rural development.

The CTICAD last year evaluated five projects in a development programme in Hebei Province in which the World Bank planned to invest, and 10 in Henan Province, said the general manager.

The appraisal report on the projects gratified officials of the World Bank.

Gong said his company used foreign funds mainly to support Sino foreign-funded enterprises and export-oriented township firms.

Barter Trade

The CTICAD had so far put a total of more than \$34 million of foreign funds into 45 projects, said the general manager.

On plans to develop exports, the 62-year-old general manager said, the company aimed to increase investment in Heilongjiang Province to improve barter trade with the Soviet Union in timber and fertilizer.

The CTICAD was also looking to promote exports of marine products from eastern China to Japan and South Korea.

The company had already invested 30 million yuan (\$5.8 million) in Dalian, Liaoning Province, to raise production of abalone and mussels, Gong said, and had funded Fujian Province to the tune of \$8.7 million to raise prawns and process eels for export to Japan and Taiwan.

The company had invested in the south of Guangdong Province in a bid to tap the Macao market, and planned to put money in Shenzhen to develop trade with Hong Kong, Gong said.

Established in April 1988, the company, under the leadership of the Ministry of Finance, set out to increase the efficiency of funding to promote the growth of the rural commodity economy, in response to government complaints that money had not been efficiently spent.

Since the founding of New China in 1949, the State has invested more than 240 billion yuan (\$46.2 billion) in farming.

As an investment arm of the Ministry of Finance, Gong's company had also set out to provide low-interest loans, he said, in an attempt to encourage grain production. Such group of funds consists of 80 percent of the company's total trust loans.

Since late 1988, the company has invested 12 million yuan (\$2.1 million) in Tieling in Liaoning Province to open up 53 hectares of wasteland to plant rice, reaping more than 10,500 kilograms of rice per hectare. The land had previously produced only 3,000 kilograms of corn.

Meanwhile, the company had poured 2 million yuan (\$385,000) into planting wheat in Jinzhou, Liaoning Province, and to stop the province's reliance on imports.

Li Peng Meets Outgoing, Incoming Envoys

*OW3011143490 Beijing XINHUA in English
1250 GMT 30 Nov 90*

[Text] Beijing, November 30 (XINHUA)—Chinese Premier Li Peng met with ambassadors from eight countries here today.

The two outgoing envoys are Taki Ould Sidi from Mauritania and R. Valdez B. [Baquero] from Ecuador.

The six new-comers are N.N. Solovyev from the Soviet Union, Mohammad Hoseyn Taromi Rad from Iran, K. Oldzboy from Mongolia, 'Abd al-Hamid al-Baejan from Kuwait, C. Bohrt Irahola from Bolivia and Abdurrahman Gunadirja from Indonesia.

Li told the ambassadors that China wants to develop friendly relations with all countries on the basis of the Five Principles of Peaceful Coexistence.

Discussing the Gulf crisis, the premier said that China supports the United Nations Security Council resolutions demanding Iraq to withdraw from Kuwait.

On the other hand, he said, China insists that the crisis be resolved by peaceful means, because by this world peace will not be undermined and world economy will not suffer grave losses.

He also briefed the envoys on the current political and economic situation in China.

The ambassadors told Li that they would do their best to strengthen the friendly ties between their respective countries with China.

U.S.-Mexico Relations, Bush Visit Assessed

HK3011115690 Beijing RENMIN RIBAO in Chinese
29 Nov 90 p 6

[Article by staff reporter Guo Weicheng (6753 0251 2052): "Mexican-U.S. Relations as Viewed From Bush's Visit to Mexico"]

[Text] Monterey, 27 Nov (RENMIN RIBAO)—U.S. President Bush today ends his visit to Mexico. The press communique of both sides said they held that only when dialogue is carried out on the basis of scrupulously respecting sovereignty can it be helpful to strengthening relations between the two countries in the future.

The presidents of Mexico and the United States held their third meeting this year in Monterey, Mexico, on 26 November. It was disclosed that the two presidents discussed questions concerning the free trade talks and the existing problems in bilateral trade, including the tuna fish and shrimp trade and "border violence."

On 26 November, when Bush arrived in Mexico, EL NORTE published a Salinas speech which strongly "demands the United States give reciprocal treatment to Mexico's unilateral opening." Salinas said that at present, "U.S. products can enter the Mexican market freely, but Mexican products are not only blocked by U.S. Customs when entering the United States, but also are restricted in many respects." Mexico cannot tolerate "U.S. trade protectionism." The business circles in Mexico also held that a pressing matter at present is that the United States should abolish protectionism and open to the Mexican products on a reciprocal basis.

Another problem in Mexican-U.S. relations is that certain forces in the U.S. political circle are continuously criticizing Mexico's election system. All these problems reflect a series of contradictions arising from the great discrepancies between the two countries in political and economic development.

From the speeches made by Bush and Salinas on various occasions, we can see that both countries are faced with many challenges at present. Therefore, the press communique issued by both sides said that this visit has the characteristics of "diversification and complexity." As a matter of fact, all the basic challenges have been existing for a long time. If there are any new challenges, the question of free trade can be regarded as one of them in that the form of "free trade agreement" has been added to the long-standing trade problem. Bush admitted that "over the past two years or so, the Mexican economy has been opened to a great extent. Especially, since it joined the GATT, its tariffs have dropped by a big margin. U.S.-Mexico bilateral trade has been expanding rapidly, and the total trade volume increased from \$34.8 billion in 1987 to \$50 billion last year. It will continue to grow this year." Bush never mentioned Mexico's demand for a reciprocal opening of the U.S. side and the question of abolishing protectionism. Over the past year or so, Mexico has unilaterally opened to the United States and

is always complaining that it has not received a corresponding response from latter, which is its main trading partner. It is still faced with all kinds of protectionist measures of the United States. The greatest expectation of Mexico during this summit meeting was that the United States would take a reciprocal attitude toward Mexico's opening. Before the meeting, there were extensive discussions on this question in Mexico's press and political circles. It seems, however, that their expectations cannot be realized. Originally, the press of both countries regarded the free trade issue as the focus of the summit meeting. But it was not stressed in the press communique. People here believe that on the question of abolishing U.S. trade protectionism and the question of the United States taking the reciprocal opening measure, no consensus was reached during this summit.

United States & Canada

Reportage on Qian Qichen's U.S. Visit

Arrives in Washington

OW3011190390 Beijing XINHUA in English
1843 GMT 30 Nov 90

[Text] Washington, November 30 (XINHUA)—Chinese Foreign Minister Qian Qichen arrived here this morning to start a two-day official visit to the United States at the invitation of U.S. Secretary of State James Baker.

The two ministers will hold talks on Sino-U.S. relations and international issues, such as the Gulf crisis and the Cambodian question, as it was officially announced earlier.

In addition to talks with Secretary Baker, Qian is also scheduled to meet some other senior U.S. Government officials as well as some congressional leaders.

Prior to this visit, the Chinese foreign minister attended a U.N. Security Council meeting in New York on Gulf crisis, which adopted a resolution authorizing "to use all necessary means", in essence, permitting the use of military force against Iraq unless Iraq withdraw its forces from Kuwait before January 15, 1991.

THE WASHINGTON POST said that the Chinese minister's visit "represents another U.S. gesture toward normalization of relations with China," while THE NEW YORK TIMES noted that it "would symbolize an end to the 18-month-long chill in official relations" between the two nations.

Meets With Baker

OW0112043890 Beijing XINHUA in English
0430 GMT 1 Dec 90

[Text] Washington, November 30 (XINHUA)—Visiting Chinese Foreign Minister Qian Qichen and U.S. Secretary of State James Baker held talks on a wide range of issues this morning.

The two officials discussed bilateral relations, the Gulf crisis, the Cambodian question and other international issues of common concern.

Both said that they would make joint efforts to push for the normalization and development of U.S.-Sino relations and for this purpose, more official exchanges and contacts should be carried out.

They agreed that Under Secretary of State Reginald Bartholomew and Assistant Secretary of State Richard Schifter will visit China respectively in the near future.

U.S. National Security Adviser Brent Scowcroft and Deputy Secretary Lawrence S. Eagleburger were present at the meeting and the luncheon thereafter.

This afternoon, Qian also met with U.S. Secretary of Commerce Robert A. Mosbacher, Senate Republican leader Bob Dole and several congressmen including Stephen J. Solarz, Tom Lantos and Jim Leach.

Views Ties With Bush

OW0112052290 Beijing XINHUA Domestic Service
in Chinese 0345 GMT 1 Dec 90

[By reporter Wu Jin (0702 2516)]

[Text] Washington, 30 Nov (XINHUA)—U.S. President Bush met Chinese Foreign Minister Qian Qichen in the White House this afternoon, and held friendly and candid [tan shuai di 0982 3764 4104] talks with Qian, who is on an official visit here.

Foreign Minister Qian Qichen arrived here this morning for a two-day official visit at the invitation of U.S. Secretary of State Baker after attending the U.N. Security Council meeting in New York.

During the 45-minute meeting, Bush first extended his welcome to Foreign Minister Qian Qichen, saying that the United States attached importance to his visit and hoped it will help improve U.S.-Chinese relations. Foreign Minister Qian Qichen expressed the same hope.

They agreed that the two nations have common interests on many issues and gladly pointed out that thanks to efforts by both sides bilateral relations have been much improved recently.

The two sides also exchanged views on some questions concerning bilateral relations and expressed the belief that although the two nations differ on certain issues, their relations can be back on a normal track through more contacts and further understanding of each other.

During the meeting, Bush briefed Qian on the measures that the United States will take to achieve a peaceful solution of the Gulf crisis. Foreign Minister Qian Qichen said that on international issues, the two nations have some differences but many views are identical, and they still can continue cooperation in the future.

The meeting was attended by Secretary of State Baker, National Security Adviser Scowcroft, and White House Chief of Staff Sununu. Present at the meeting on the Chinese side were Zhu Qizhen, Chinese ambassador to the United States, and Zhang Yijun, director of the Department of Affairs of North America and Oceania, who is accompanying Qian on the visit.

Briefs Reporters

OW0212004590 Beijing Domestic Service
in Mandarin 2230 GMT 1 Dec 90

[Report by Washington-based reporter Chen Jincai; from the "News and Press Review" program]

[Text] U.S. President Bush met Chinese Foreign Minister Qian Qichen, who was paying an official visit to the United States, in the White House on 30 November. Bush expressed the hope that Foreign Minister Qian's visit to the United States will be conducive to the improvement of Sino-U.S. relations.

Foreign Minister Qian conveyed Chinese leaders' regards to President Bush and expressed the hope that his visit will help open vast vistas for bilateral relations.

During the meeting, both sides agreed that China and the United States share common interests on many issues and that bilateral relations have been much improved recently, thanks to efforts by both sides. The two sides expressed the hope that bilateral relations can be put back on a normal track. They expressed the belief that, though the two nations differ on certain issues, it is necessary for them to step up contacts and improve understanding and that bilateral relations will be back on a normal track through efforts. The two sides had friendly and candid discussions about Sino-U.S. relations, the Gulf crisis, the Cambodian issue, and other major international issues of common concern to them. Both sides expressed their willingness to make joint efforts to promote restoration and development of bilateral relations.

Prior to his departure from Washington for home via San Francisco, Foreign Minister Qian held a news conference with Chinese and foreign reporters on 1 December. He said that because high-level contacts between China and the United States were interrupted for a certain period of time, his official visit to the United States this time is a very important event in Sino-U.S. relations. He expressed the belief that there will be more contacts and mutual visits between the two nations in the future.

A reporter asked if discussions between China and the United States had touched on the issue of the United States lifting economic sanctions against China.

Foreign Minister Qian said: We have always maintained that the United States should lift its economic sanctions against China because, though sanctions bring some difficulties to China, they also cause losses to the United

States at the same time. We have not had a special discussion on the issue this time.

Touching on the issue of human rights, Foreign Minister Qian stressed that all the affairs inside China, including the human rights issue, are the internal affairs of China. The cornerstone of China's foreign policy is maintaining independence and keeping initiative in its own hands.

Welcomes Peace Initiative

*OW0212021290 Beijing XINHUA in English
0205 GMT 2 Dec 90*

[Text] Washington, December 1 (XINHUA)—Chinese Foreign Minister Qian Qichen said today that his two-day official visit here is a "very important event" in the development of Sino-U.S. relations.

Speaking at a press conference before heading home, Qian also praised U.S. President George Bush's decision to seek dialogue with the Iraqi Government on the Gulf crisis.

"I believe that this visit of mine is a very important event in Sino-U.S. relations, because for some time the high level of exchange of visits between China and the United States has been suspended," he said.

He said that through this visit the two sides have been able to enhance their mutual understanding and that in the future, there will be more official contacts and more visits between the two countries.

Qian said that he has invited Baker, Under Secretary of State Robert Kimmitt and Assistant Secretary of State Reginald Bartholomew. "We hope all of them to visit China, the more the better," he said.

Qian said that he regards Bush's peace initiative as "a positive development, because dialogue is for always necessary."

During his talks with U.S. leaders yesterday, Qian said, "I expressed appreciation—our appreciation to President Bush and Baker for the decision that has been taken."

As Chinese foreign minister, Qian visited Baghdad last month. Therefore China is the first U.N. Security Council member to send such an official since the breakout of the Gulf crisis.

Qian said he had a very long talk with Saddam Husayn, who was urged to show flexibility in terms of the withdrawing Iraqi troops from Kuwait during the meeting.

"Husayn responded that if there could be dialogue and if there could be appropriate guarantee, then he could show some flexibility," Qian said.

"He indicated that he would like to make sacrifices for peace, but he didn't elaborate what kind of sacrifice he was ready to make," the Chinese foreign minister said.

Beijing TV Report

*OW0212124790 Beijing Television Service
in Mandarin 1100 GMT 2 Dec 90*

[From the "National Hookup" program]

[Text] PRC Foreign Minister Qian Qichen pointed out in Washington yesterday that his official visit to the United States has promoted the two countries' mutual understanding.

Minister Qian stressed at a news conference that his official visit to the United States is a very important event in Sino-U.S. relations because high-level contacts between the two countries have been suspended for some time. He said he and senior U.S. officials exchanged views on the Gulf crisis and bilateral Sino-U.S. relations. Qian said he believed the two countries will have more contacts and mutual visits.

Commenting on Sino-U.S. relations, Foreign Minister Qian said: The United States exists objectively, as does China. Because our two countries will continue to exist under different systems, we must seek to establish a relationship characterized by peaceful coexistence, equality, reciprocity, noninterference in each other's internal affairs, and mutual respect.

When asked whether the Chinese and U.S. Governments discussed the issue of lifting U.S. sanctions on China, Foreign Minister Qian said: We have maintained all along that the United States should lift its economic sanctions on China because, though they have caused China some difficulties, they also have caused the United States some losses. We did not discuss this particular issue.

Speaking on human rights, Foreign Minister Qian emphatically pointed out: All Chinese affairs, including the human rights issue, are the internal affairs of China. Independence is the cornerstone of China's foreign policy.

Sino-U.S. Trade Talks Scheduled for Dec

*HK0312045690 Beijing CHINA DAILY (BUSINESS
WEEKLY SUPPLEMENT) in English 3 Dec 90 p1*

[By staff reporter Xiao Qu]

[Text] While a senior Chinese foreign trade official is scheduled to begin a five-day official visit to Washington on December 10, China is urging the United States to bring bilateral relations back to the "road of healthy development" by quickly putting an end to its economic sanctions against China.

"We also hope the United States will further lift its barriers to exporting technological products to China," an official with the Ministry of Foreign Economic Relations and Trade (Mofert) told BUSINESS WEEKLY yesterday.

Vice-Foreign Trade Minister Gu Yongjiang, invited by Michael Farren, under-secretary of the Department of Commerce, is expected to exchange views with U.S. officials on bilateral trade investment, said Jin Ligang, the Mofert official in charge of Sino-U.S. trade.

Gu is scheduled to hold talks with officials from the U.S. departments of State and Commerce, the president's trade office and the National Council on U.S.-China Trade, Jin said.

Gu's delegation will be the second Chinese ministerial-level party to visit the U.S. in 18 months. Foreign Minister Qian Qichen is currently [as published] in the U.S. and was expected to meet with President George Bush and Secretary of State James Baker.

Jin said he believes Sino-U.S. economic relations and trade have a promising future, adding that bilateral economic ties are becoming more important in relations between the two countries.

He said Sino-U.S. trade ties have been developing quickly since the two countries established diplomatic relations in 1979. In 1988, bilateral trade volume topped \$10 billion, 10 times more than in 1979.

An all-time high of \$12.25 billion worth of products was exchanged between the two countries last year, accounting for 9.1 percent of China's total foreign trade. The achievement made the U.S. a firm second among China's biggest trading partners after Hong Kong and Macao.

This year, however, bilateral trade stopped growing because of a drop in U.S. exports to China, Jin said.

According to statistics from the Chinese Customs, Sino-U.S. trade was \$9.1 billion during the first 10 months of this year.

Of that value, China's imports from the United States were worth \$5.13 billion, down a hefty 19 percent, while China's exports climbed another 17 percent to \$3.97 billion.

Although the structural adjustment of China's industrial sector contributed somewhat to the drop in China's imports from the United States, Jin said, the major reason has been U.S. economic sanctions against China.

He also blamed the United States for controlling the export of high-tech products to China.

Further, Jin said, the suspension of the U.S. Trade Development Programme and export credits have made U.S. businesses less competitive in China.

The Chinese Government has attached great store by expanding imports from the United States, he said, which was evidenced by the sending of an import mission to America in October.

The 14 Chinese companies in the mission brought contracts to import \$700 million worth of U.S. grain, chemical fibre, cotton, petrochemical raw materials, and machinery and equipment.

Jin said U.S. investment in China has also been developing rapidly. By the end of September, China approved 1,185 U.S.-invested projects in which American enterprises promised to invest \$4.31 billion. Actual U.S. investment by September hit \$2.15 billion, making the United States the biggest foreign investor in China.

Envoy to U.S. on Desire for Better Ties

OW0212092190 Beijing XINHUA in English
0909 GMT 2 Dec 90

[Text] Seattle, December 1 (XINHUA)—The third U.S.-China symposium on industry, technology, trade and economic cooperation ended here today.

The symposium, which began on Thursday, was the first and largest of its kind ever held by China in the United States.

The Chinese delegation was consisted of more than 60 officials, scholars and more than 200 people who came to hold a trade exposition as part of the symposium. During the last three days, senior Chinese officials and scholars briefed the American audience on what's going on in China and what China is going to do in the future.

They also explained China's policies of opening to the outside world and the restructuring of its economic system, as well as policies on foreign investment in China.

At the closing session, both Chinese Ambassador to the United States Zhu Qizhen and U.S. Ambassador to China James Lilley, who came here specially for the event, made speeches to express their confidence about the relations between the two countries in the future.

Recalling the development of Sino-U.S. relations in the last two decades, Ambassador Zhu said that ideological differences should not be an obstacle to prevent the growth of state-to-state relations between the two countries.

He said that symposium, together with other visits of Chinese officials to this country, show clearly that there is an increasing common desire of the two peoples that they need more mutual understanding and cooperation between each other.

He expressed the hope that this trend would continue and be strengthened in the future.

Soviet Union

Sino-Soviet Troop Reduction Talks Begin

HK0312082690 Hong Kong AFP in English 0815 GMT 3 Dec 90

[Text] Beijing, Dec 3 (AFP)—Soviet and Chinese officials reopened negotiations here Monday on demilitarisation of their common border, Soviet Embassy sources said.

The talks followed from Soviet President Mikhail Gorbachev's proposal on demilitarising the 7,500-kilometre (4,600-mile) border during his visit here in May 1989 to normalise relations between Moscow and Beijing.

The second round of negotiations started Friday, according to the sources, who declined to give details of the discussions to reduce troop and weapon concentrations on the border.

The first round of negotiations was held here in June.

The Soviet delegation is led by G.V. Kireyev, director of the department specialising in Asian socialist countries under the Foreign Ministry.

Trade Meeting Notes Soviet 'Inability To Pay'

OW0212141590 Beijing Domestic Service in Mandarin 1700 GMT 29 Nov 90

[Text] The Soviet news agency held a roundtable conference over the last few days on the future of Sino-Soviet economic and trade relations. Topics on the present state and problems, as well as the future of economic and trade relations between the two nations were discussed in detail. Chinese and Soviet economic and trade officials attended the conference. Participants maintained that the present Sino-Soviet trade structure is mutually beneficial. Approximately half of Sino-Soviet trade consists of raw materials and primary products; and the other consists of Soviet machinery exports to China, and Chinese exports of light and textile industry products and a small quantity of machines to the USSR.

Participants in the conference pointed out that the current major trading problem between the two nations is the Soviet side's inability to pay. Signs of an imbalance are evident in both governmental trade and regional trade, including border trade. At present, China has a trade surplus of 1.1 billion Swiss francs. It was noted at the conference that to prevent a drastic drop in bilateral trade in the future, apart from transiting to the free foreign exchange payment method, the two nations also have decided to develop barter trade on the basis of agreements reached between the two governments. At the same time, direct liaison between regions, borders, and enterprises also will be developed.

State Councilor Meets Soviet Delegation

OW0312080490 Beijing XINHUA in English 0733 GMT 3 Dec 90

[Text] Beijing, December 3 (XINHUA)—Li Guixian, Chinese state councillor, met here this morning with a friendly delegation from the northern and western parts of the Soviet Union.

Headed by Lonatnikov Viktor Alekseyvich, representative of the Soviet Ministry of Foreign Affairs to Lenin-grad, the delegation arrived here November 27 at the invitation of the China Association for International Friendly Contacts.

Xinjiang, Uzbekistan Sign Cooperation Agreement

OW0112015990 Moscow International Service in Mandarin 0100 GMT 30 Nov 90

[Text] In Tashkent on Thursday, Uzbekistan and China's Xinjiang Uygur Autonomous Region signed a trade, economic, scientific and technical, and cultural cooperation agreement.

According to the agreement, joint ventures for producing various kinds of consumer goods will be established. They agreed to establish small and medium-sized enterprises for processing, packaging, and storing agricultural products in some Uzbek rural areas. The agreement has created new opportunities for bilateral cooperation in science, culture, education, and sports. Under the terms of the agreement, they will increase the volume of goods exchange between the two sides, jointly establish tourism companies, and organize tours of the Silk Road.

Temporary Transport Business With USSR Opens

SK0312014990 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 30 Nov 90

[Text] Next January, Heihe City will open a temporary winter passenger transport business with Blagoveshchensk City, the Soviet Union. This agreement was signed by the Chinese and Soviet sides in Harbin City today. A five-member delegation led by (Katake), general manager of the Amur Oblast Vehicle Transport Integrated Company of the Soviet Union, visited Harbin City on 23-30 November. The Soviet delegation visited the Heilongjiang bus plant, the Harbin City (Daxue) Transport Company, and the Container Transport Company. Representatives of the Soviet side were very interested in the large buses produced by the Heilongjiang bus plant. The provincial Highway Transport Bureau also signed an agreement with the Amur Oblast Vehicle Transport Integrated Company on opening international vehicle freight transport via Blagoveshchensk, Heihe, Pojarkovo, and Xunke outlet between Amur Oblast and Heilongjiang Province.

Northeast Asia

Li Peng Meets With Japanese Trade Delegation

OW3011155990 Beijing XINHUA in English
1530 GMT 30 Nov 90

[Text] Beijing, November 30 (XINHUA)—Chinese Premier Li Peng said here today that China's central collective leadership is strong, authoritative and has long-term stability.

During a meeting with delegates from the Japanese Association for the Promotion of International Trade (JAPIT), Li said that China's central collective leadership, with Communist Party General Secretary Jiang Zemin as the nucleus, has smoothly completed the succession to leadership.

Li said that the collective leadership is firmly implementing the basic political line and the policy of reform and opening to the outside world formulated by Deng Xiaoping, and will continue to do so.

The Chinese premier extended a warm welcome to the delegation led by Yoshio Sakurauchi, speaker of the Japanese House of Representatives and president of JAPIT.

A Chinese official reports that Yoshio Sakurauchi said that Japanese people from various circles are concerned about China's 10-year program and Eighth Five-Year Plan for economic and social development, which are currently being drafted.

Sakurauchi said the aim of the delegation's current visit is to learn more about China's political and economic situation, and to discuss the possibilities for strengthening bilateral economic co-operation.

Li Peng said facts have proved that China's political situation is stable, its economy continues to develop in a favorable direction, and China is making new progress in foreign relations.

Referring to the ideas of some Westerners that China is too big and suffers from imbalanced economic development will inevitably lead to the growth of localism and will aggravate the friction between regions, the premier said that such ideas are "incorrect" or at least, "a misunderstanding."

He said such things will not occur because China is a unified country, a unified market and an integrated whole, and because the Chinese nation has a strong rallying force as a result of its history of several thousand years and the country has followed a series of correct principles and policies.

Li also briefed the visitors on the basic principles of the Eighth Five-Year Plan and the 10-year program.

"China pursues a good-neighbor policy and attaches great importance to relations with peripheral countries. The purpose of my forthcoming visit to four Asian

nations is precisely to further strengthen friendship and co-operation with these countries."

There is great potential for Sino-Japanese co-operation on the basis of equality and mutual benefit, said Li. "I maintain that developing Sino-Japanese friendly relations and co-operation will not only benefit the two countries, but also be conducive to the peace and stability in the Asia-Pacific region."

Li said that since its founding more than 30 years ago the JAPIT has accomplished a great deal to promote Sino-Japanese friendship and economic and technological co-operation. He expressed his hope that the Japanese association will continue to make contributions in this respect.

Yoshio Sakurauchi said that the JAPIT is delighted to see China has achieved progress in various areas. He pledged that the JAPIT will make new efforts to promote bilateral economic and technological co-operation.

The JAPIT has sent 19 delegations to China since 1973.

Chinese Vice-Premier Wu Xueqian and State Councilor Zou Jiahua also met today with Sakurauchi.

Comments on Deng's Health

OW3011151290 Tokyo KYODO in English 1457 GMT
30 Nov 90

[Text] Beijing, Nov. 30 (KYODO)—Senior Chinese leader Deng Xiaoping, whose ill health has been rumored, is actually in good health, Premier Li Peng said Friday.

Li told Japanese parliamentary leader Yoshio Sakurauchi that the present Chinese leadership would continue to learn from Deng.

Deng does not intervene in day-to-day political activities since the generational change in the Chinese leadership, Li was quoted as saying.

Sakurauchi, speaker of the House of Representatives, is currently in China as leader of a delegation from the Association for the Promotion of International Trade, Japan, which he heads.

Li Peng Meets Political Delegation, Ties Viewed

OW3011153690 Beijing in Japanese to Japan
0930 GMT 29 Nov 90

[Text] Premier Li Peng has stated that he hopes cooperative relations between China and Japan will make further progress in the next decade. The premier made this remark when he met with a Japanese political and economic leaders' delegation led by Mr. Zenzo Ota, president of Toho Mutual Life Insurance Company, at Diaoyutai State Guest House last night.

At the meeting, Premier Li said that the CPC led by Jiang Zemin maintains strong leadership. He added that,

in the whole people's hope of stability, China's projects are making steady progress in every field, and that Chinese leaders are confident of the nation's future.

In response, Mr. Zenzo Ota said that Japanese citizens attach great importance to friendly relations with China, and that he wishes such relations will last forever and make constant progress.

Moreover, Mr. Yasuo Fukuda, member of the House of Representatives who served as subleader of the delegation, conveyed a message from his father, former Prime Minister Takeo Fukuda. He also gave his memories of his visit to China 10 years ago in company with his father, and expressed his resolution to succeed to his predecessors' efforts to promote programs for Japan-China friendship.

PRC Refuses Repatriation of Boat Refugees

OW3011140090 Tokyo KYODO in English 1241 GMT 30 Nov 90

[Text] Beijing, Nov. 30 KYODO—China has refused to accept the repatriation of more than 1,000 boat people currently detained in Japan, Japanese officials said Friday.

After four days of talks here through Friday, Japanese and Chinese officials failed to reach agreement on the repatriation of the Chinese boat people, officials said.

From May 1989 to last March, a total of 2,844 Chinese posing as Vietnamese refugees have arrived on the western Japanese coast in a total of 23 boats. Of the total, 1,788 have been repatriated to China, the officials said.

During the negotiations, Japan submitted a list of 1,041 Chinese designated as economically motivated illegal entrants and urged China to accept them.

The Chinese side rejected the request, arguing that some 60 percent were Vietnamese who left the country just before the breakout of the 1979 Sino-Vietnamese border war.

The two sides agreed to hold more negotiations by the end of this year.

Chinese Premier Li Peng told Masayoshi Ito, chairman of the Japan-China Friendship Parliamentary League, at a meeting in September last year that Beijing is ready to accept illegal Chinese refugees to Japan.

Japan does not grant refugee status to foreigners that the government considers to have come solely for economic reasons.

In Tokyo, a Japanese Foreign Ministry official said the main point of disagreement between the Chinese and Japanese teams in Beijing was over the status of some of the Vietnamese refugees now in Japan.

"It is a fact that they have stayed in China and the Chinese side had accepted them as Chinese at one time," said the official, who spoke on condition of anonymity.

"Then they were dissatisfied with their situation there and wanted to come over here," he said.

"We consider that under international law once they have accepted them as Chinese, they should be considered as Chinese," the official said.

Southeast Asia & Pacific

General Chi Haotian Departs for Thailand

OW0212081590 Beijing XINHUA in English 0744 GMT 2 Dec 90

[Text] Beijing, November 2 (XINHUA)—At the invitation of General Sunthong Khongsomphong, supreme commander of the Thai Armed Forces, General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (P.L.A.), left here for Bangkok by air this afternoon to attend celebrations of the 63rd birthday of King Phumiphon Adunyadet of Thailand and pay an official goodwill visit to the country.

Meets Military Officials

OW0312104690 Beijing XINHUA in English 1032 GMT 3 Dec 90

[Text] Bangkok, December 3 (XINHUA)—Thai Prime Minister and Defense Minister Chatchai Chunhawan met with Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), here today.

Chi Haotian, head of a visiting Chinese military delegation, arrived here Sunday evening to specially attend celebrations of the 63rd birthday of the king of Thailand, Phumiphon Adunyadet, at the invitation of Supreme Commander of Thai Armed Forces Sunthong Khongsomphong.

During the meeting, Chatchai extended his warm welcome to the Chinese chief of general staff on his visit to Thailand. Both Chatchai and Chi highly appreciated the friendly relationship between Thailand and China.

Prior to the meeting, Chi also met with Thai Supreme Commander of the Thai Armed Forces Sunthong Khongsomphong and Thai Army Commander-in-Chief Sunchinda Khraprayun.

Chi witnessed a dress parade here this afternoon attended by the three services of the Thai Armed Forces to celebrate the 63rd birthday of the king of Thailand.

Sino-Thai Trade Volume To Increase*OW3011191390 Beijing XINHUA in English
0220 GMT 30 Nov 90*

[Text] Beijing, November 30 (XINHUA)—The Sino-Thai trade volume is expected to increase by 20 percent in 1991, according to documents signed here.

According to the documents signed by China's Vice Foreign Trade Minister Shen Jueren and visiting Thai Deputy Foreign Minister Amnuai Yossuck, China will import rice, sugar, rubber, tapioca and tapioca products from Thailand and will export petroleum, oil products, cement, coal, cotton, medical products, raw materials for the petrochemical industry and machinery and electrical products.

According to figures released by Chinese customs officials, Sino-Thai trade during the first 10 months of this year reached 907.51 million U.S. dollars, making Thailand China's second biggest trading partner in the ASEAN countries, just after Singapore.

Of the trade value, China's exports amounted to 615.35 million U.S. dollars, 58.45 percent up on the figure for the same period last year, and imports totalled 292.16 million U.S. dollars, down 56.24 percent.

It was agreed that China's labor service and contracted engineering projects would be expanded in Thailand.

Zheng Tuobin Meets With Papua New Guinea Group*OW0312082890 Beijing XINHUA in English
0731 GMT 3 Dec 90*

[Text] Beijing, December 3 (XINHUA)—Zheng Tuobin, minister of foreign economic relations and trade, held talks with a trade delegation of the Papua New Guinean Government led by Minister for Commerce and Industry John Giheno here this morning.

After the talks, Zheng Tuobin and John Giheno, on behalf of their respective governments, signed a memorandum of understanding on economic and trade cooperation between China and Papua New Guinea.

Near East & South Asia**Li Peng, Iranian Envoy Discuss Iraq, Relations***LD3011175990 Tehran IRNA in English 1647 GMT
30 Nov 90*

[Text] Beijing, Nov. 30, IRNA—Chinese Prime Minister Li Peng on Friday expressed hope that with the approval of a Security Council resolution authorising the use of force if Iraq does not quit Kuwait until 15 January, peace and security would return to the Persian Gulf.

The Chinese premier, whose country, as one of the five permanent members of the Security Council, abstained

from voting on the resolution, made the remarks in a meeting with Iranian Ambassador Mohammad Hoseyn Tarumi Rad.

The two also discussed ways of expanding bilateral relations and other matters of mutual interest.

Reportage on Wang Renzhong's Visit to Pakistan**Meets With Senate Leader***OW3011225390 Beijing XINHUA in English
1127 GMT 30 Nov 90*

[Text] Islamabad, November 30 (XINHUA)—Wasim Sajjad, chairman of the Pakistani Senate, said here today the friendly relations between Pakistan and China "is a model" in the friendly relations among countries of the world.

He made his remarks in the Parliament House at noon today when he met Wang Renzhong, visiting vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), and members of the CPPCC delegation Wang is leading.

The senate leader told Wang that Pakistan and China are close neighbors and the two countries "always stand together in the difficult times." Their friendship "withstands tests," he said. He expressed his hope that there would be more and further bilateral cooperations in the future.

Wang Renzhong, who arrived here this morning from Karachi for a nine-day goodwill visit, thanked his hosts for the enthusiastic reception and welcome extended by the Pakistan people, saying that he believed the visit would promote the friendship between the two countries.

During the 45-minute meeting, Wang also conveyed to Wasim Sajjad the regards of CPPCC Chairman Li Xian-nian who had visited Pakistan when he was president of the People's Republic of China.

The meeting was attended by Deputy Chairman Senate Fazal Agha, Chinese Ambassador to Pakistan Tian Ding, and other high-ranking Pakistani officials.

After the meeting, Wang planted a tree in the compound of the Parliament House.

Relations Viewed*OW3011225790 Beijing XINHUA in English
1834 GMT 30 Nov 90*

[Text] Islamabad, November 30 (XINHUA)—Wasim Sajjad, chairman of the Pakistan Senate, hosted a dinner in the Parliament House here tonight in honor of the visiting delegation of the Chinese People's Political Consultative Conference (CPPCC) led by Vice Chairman Wang Renzhong.

The Chinese delegation arrived here this morning for a nine-day goodwill visit to Pakistan.

The senate chairman said at the dinner, "Our bilateral relations are marked by mutual trust and confidence."

He noted that the heavy mechanical complex, forge and foundry, heavy rebuild factory, the Karakoram highway, Kamra aeronautical complex and a number of other industrial plants, built with China's help and cooperation, have put Pakistan onto the road to "self reliance in the industrial and defense fields."

The friendship between Pakistan and China, he noted, "is firm and enduring and it is mutually beneficial and time-tested."

In reply, Wang Renzhong said in the nearly 40 years since the establishment of diplomatic relations between China and Pakistan, the Sino-Pakistani good-neighborly relations and friendship cultivated under the joint efforts of the two governments and the two peoples on the basis of the Five Principles of Peaceful Coexistence have stood the test of time.

The CPPCC vice chairman said, the Chinese people feel honored and pleased for having such a friendly good neighbor as Pakistan and heartily rejoice at every progress the Pakistani people have made.

Among the more than 90 people attending the dinner were also Pakistani Foreign Minister Sahabzada Yaqub Khan and Chinese Ambassador to Pakistan Tian Ding.

Gulf, Kashmir Discussed

OW0112073990 Beijing XINHUA in English
0633 GMT 1 Dec 90

[Text] Islamabad, December 1 (XINHUA)—Wang Renzhong, visiting vice chairman of the Chinese People's Political Consultative Conference (CPPCC), has said China is "against invasion and annexation of Kuwait by Iraq" and it does not agree to "settle the Gulf issue by military force."

He was speaking at a dinner hosted by Pakistan Senate Chairman Wasim Sajjad here last night in honor of his visit.

Vice Chairman Wang said "we will make all our effort if there is any hope of peaceful settlement of the Gulf crisis."

On the Kashmir issue, Wang said "the Kashmir issue between Pakistan and India is left over from history. We always believe in solving the issue through peaceful negotiations under the spirit of the Five Principles of Peaceful Coexistence. It will be favorable to the maintenance of peace and stability in the region."

China appreciates the Pakistani Government's position of solving the Kashmir issue through negotiation without resorting to military force and causing escalation of tension, he said.

Turning to the Afghan issue, the visiting Chinese guest said "we appreciate the generous humanitarian aid offered by Pakistan to the 3 million Afghan refugees" and China hopes that a broad-based coalition government in Afghanistan will be formed so as to restore an independent, neutral and non-aligned status to Afghanistan.

The Pakistan senate leader said "we have taken clear and forth-right positions against foreign military intervention in Kuwait, Afghanistan and Kampuchea."

He said Pakistan hopes that "India would respond to the genuine, legal and principled demand of the people of Kashmir" and it looks forward to seeing a peaceful and amicable settlement of the Afghan issue.

The 10-member Chinese delegation arrived here Friday morning from Karachi, capital of Sind Province for a nine-day goodwill visit.

Meets Assembly Leader

OW0212023690 Beijing XINHUA in English
0218 GMT 2 Dec 90

[Text] Islamabad, December 2 (XINHUA)—Speaker of the National Assembly of Pakistan Gohar Ayub Khan and leader of the visiting Chinese delegation Wang Renzhong have highly valued the excellent relations between the two countries and hoped to further promote it.

Speaking at a dinner given by Gohar Ayub Khan Saturday (December 1) night in honor of Wang Renzhong, first vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), both leaders held that the bilateral relations have grown rapidly in every aspect on the basis of the Five Principles of Peaceful Coexistence.

Gohar recalled the staunch support China had given to Pakistan since 1960s. He said many industrial complexes built with Chinese assistance have helped Pakistan gain a measure of self-reliance.

He noted that Pakistan and China share common perception and unanimity of views on the Afghan situation and the recent Gulf crisis and other international problems such as Palestine and the Middle East.

Wang Renzhong said the Chinese people highly appreciate Pakistan's independent foreign policy of peace and nonalignment and its just position of upholding principles and justice in international affairs.

Gohar and Wang had talks in the National Assembly Saturday afternoon. They exchanged views on various international issues such as the Afghan problem, the Gulf crisis and the Kashmir issue.

Wang visited the Taxila Archaeological Museum and the Taxila Heavy Mechanical Complex, both about 25 kilometers northwest of the capital of Islamabad, Saturday morning, where he was accorded a warm welcome.

Wang is currently leading a 10-member CPPCC delegation on a nine-day goodwill visit to Pakistan, which will also take him to Lahore, capital of Punjab Province, and Karachi, capital of Sind Province.

He is expected to meet Pakistan President Ghulam Ishaq Khan and Prime Minister Nawaz Sharif today.

Meets Newly Elected Prime Minister

OW0212175090 Beijing XINHUA in English
1530 GMT 2 Dec 90

[Text] Islamabad, December 2 (XINHUA)—Mian Nawaz Sharif, newly elected prime minister of Pakistan, has said that the friendship between Pakistan and China is time-tested and his new government will make efforts to push forward a higher level for it.

According to an official source here this afternoon, Nawaz said this in prime minister's secretariat here at noon when he met Wang Renzhong who is leading a 10-member delegation of the Chinese People's Political Consultative Conference (CPPCC) on a nine-day visit to the country.

The 41-year-old prime minister, who came into power on November 6 this year, said that he had visited China twice and he hopes to visit China again in the future.

Extending his thanks for being received by Nawaz in the midst of pressing affairs, Wang Renzhong, vice chairman of the CPPCC, told the Pakistani leader that no adverse effects will be made on the Sino-Pakistani friendship and relations of cooperation between the two countries when a change of the leadership takes place in the two countries.

During the meeting, the two sides also briefed each other on their domestic affairs. Nawaz said his country is promoting the development of private sector while Wang said China is continuing its open policy to the outside world.

Meets President

OW0212174890 Beijing XINHUA in English
1527 GMT 2 Dec 90

[Text] Islamabad, December 2 (XINHUA)—Pakistan President Ishaq Khan met here today and had a cordial talk with the visiting 10-member Chinese delegation led by Wang Renzhong, vice chairman of the Chinese People's Political Consultative Conference.

The president said during the meeting this afternoon with the Chinese delegation that the friendly relations between Pakistan and China are time-tested and deep-rooted.

Ishaq Khan said the frequent exchange of visits by top leaders of Pakistan and China has helped a lot [to] promote the mutually beneficial cooperation between the two countries.

He said that the Pakistanis consider the achievements of the Chinese people as their own and they are glad to see the Chinese people are on the path of progress and prosperity.

He renewed his invitation to Chinese President Yang Shangkun and said that he is looking forward to Yang's early visit to Pakistan.

Wang Renzhong shared the view of Ishaq Khan saying that with the persistent efforts of the leaders and the people of the two countries, the Sino-Pak friendship will grow with each passing day.

Wang Renzhong is currently on a nine-day goodwill visit to Pakistan, which will also take him to Lahore, capital of Punjab Province, and Karachi, capital of Sind Province.

Tour Praised

OW0312022990 Beijing XINHUA in English
0212 GMT 3 Dec 90

[Text] Islamabad, November 3 (XINHUA)—The visiting delegation of the Chinese People's Political Consultative Conference (CPPCC) left here for Lahore, the capital of Punjab Province of Pakistan this morning for the 2nd leg of its nine-day visit to the country.

Before its departure, Chinese Ambassador Tian Ding hosted a farewell dinner in honor of Wang Renzhong, leader of the delegation and vice-chairman of the CPPCC National Committee, and his delegation members at the Chinese Embassy here last night.

Speaking at the dinner, Wang Renzhong who arrived here on November 30 from Karachi, the capital of Sind Province for his first leg of the visit, described his tour here as a successful one.

He said that his talks with President Ghulam Ishaq Khan, Prime Minister Nawaz Sharif, Senate Chairman Wasim Sajjad and Speaker of the National Assembly Gohar Ayub Khan, as well as Foreign Minister Sahabzada Yaqub Khan, have increased bilateral mutual understanding and the friendship between the two countries.

The Pakistan Senate chairman said at the dinner that the visit by the Chinese CPPCC delegation was significant although it was short. He wished the Chinese guests a good pleasure in their trip to Lahore, the second leg of the tour, saying that they would be received enthusiastically by the Pakistani people wherever they go.

Among the 50 people attending the dinner were also Foreign Minister Sahabzada Yaqub Khan and other Pakistani officials.

The 10-member Chinese delegation arrived in Karachi from Beijing on November 29 and Karachi will be the last leg of its journey.

Wu Xueqian Meets With PLO Delegation

*OW3011192990 Beijing XINHUA in English
0927 GMT 30 Nov 90*

[Text] Beijing, November 30 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with a delegation of the Palestine-China Friendship Association here this afternoon.

They had a friendly conversation on issues of common interest.

The delegation is led by Mohamad Hasan Milhem, PLO executive and head of the department of occupied homeland.

Sub-Saharan Africa

Ghanaian Official Meets PRC Police Delegation

*OW2911200090 Beijing XINHUA in English
1629 GMT 29 Nov 90*

[Text] Accra, November 29 (XINHUA)—Nii Okaija Adamafo, Ghanaian acting secretary for the interior, held talks here today with the Chinese police delegation headed by Mr. Yu Lei, deputy minister for public security.

During their talks, Adamafo said his country greatly appreciates the self-reliance of the Chinese people and has great confidence in their even greater achievements.

He also said that whenever his country comes across political and economic knotty problems, it often draws on China's experience.

The Chinese deputy minister said though the two countries are geographically far away China is an honest friend of Ghana forever.

Mr. Yu also noted that this is the first Chinese police delegation to visit Ghana and expressed the hope that the traditional friendship between the two countries would be further strengthened through co-operation of the two ministries.

During the talks, the two sides expressed their desire to promote cooperation in various areas, especially in the training of police and the fight against international drug dealers.

The Chinese delegation, which arrived here yesterday, also met today with Mr. J. Y. Kwofie, inspector-general of the Ghana police, and visited a police college and a national fire service training school in Accra.

Meets With Security Official

*OW0112031590 Beijing XINHUA in English
0101 GMT 1 Dec 90*

[Text] Accra, November 30 (XINHUA)—Mr. Kojo Tsikata, a senior leading member of the Ghanaian Government, today met with the Chinese police delegation led by Mr. Yu Lei, deputy minister for public security.

Tsikata said at the meeting that since last year, the world has witnessed rapid changes, while China as a great nation showed even more clearly its prestige and importance.

He said the changes in East Europe "made us heightening our vigilance," adding that Ghana is making efforts to improve the living condition of the people and maintain political stability of the country.

Mr. Tsikata, who is in charge of national security and foreign affairs, also said that the first visit to Ghana by a Chinese police delegation proved the existing profound friendship between the two countries.

During the meeting, Mr. Yu Lei expressed his hope that the existing friendship between the two countries will be further developed.

Delegation Departs for Tanzania

*OW0212232190 Beijing XINHUA in English
2310 GMT 2 Dec 90*

[Text] Accra, December 2 (XINHUA)—The Chinese police delegation headed by Yu Lei, deputy minister for public security, left here late this evening for Tanzania after a five-day visit to Ghana.

During their stay in the country, the five-member delegation was received by Mr. Kojo Tsikata, a senior leading member of the Ghanaian Government who is responsible for national security and foreign affairs.

The Chinese deputy minister also held two rounds of talks with Mr. Okaidja Adamafo, acting secretary for the interior, on cooperation between the two ministries, especially in the areas of police officer training, forest fire control and prison management.

Ghana was the first leg of the Chinese delegation's two-nation tour in Africa. They are scheduled to begin their visit to Tanzania on December 4.

Visits by South African Citizens Permitted

*HK2911040790 Hong Kong WEN WEI PO in Chinese
22 Nov 90 P 1*

[By staff reporter in Beijing: "Visits by South African Citizens Permitted, According to Circular Issued by Chinese Government"]

[Text] Beijing, 21 Nov (WEN WEI PO)—According to disclosures by diplomatic sources here, China's policy on South African citizens' visits to China has recently been

changed. It would allow South African citizens to organize tours to visit China and that, under certain restrictive terms, South African officials will be allowed entry into China to participate in international conferences held under the auspices of nongovernmental organizations.

Reports indicated that the Chinese Government recently issued a circular on the question of South African citizens' visits to China. As China opens to the outside world, the Chinese Government believes that South African tourists may be accepted normally. South African officials who are to take part in international conferences held under nongovernmental organizations auspices may also be allowed entry into China provided they are below ministerial level; have the approval of the sponsoring nongovernmental organization, the private international organization, as well as the conference hosts; and receive no objections from African countries. As for South African journalists' visits, the old rules remain: they will not be allowed to come to China to report on the country and they will not be received accordingly. Journalists may join tours to visit China.

Diplomatic sources believe that the changes in China's policy on South African citizens' visits are related, on one hand, to flexibility in the implementation of China's foreign policy, and on the other hand, to certain conciliatory policies the ruling South African party recently adopted; for instance, the ruling party has agreed to accept nonwhite party members. They believe that this Chinese Government policy will have a positive impact on the ongoing civilian contacts between China and South Africa, including trade exchanges involving high technologies.

West Europe

Article Views New UK Prime Minister's Policies

HK3011145890 Beijing RENMIN RIBAO in Chinese
30 Nov 90 p 6

[Article by staff reporter Chen Tean (7115 3676 1344):
"New Master in 10 Downing Street"]

[Text] London, 28 Nov (RENMIN RIBAO)—Today, Prime Minister Margaret Thatcher said goodbye to 10 Downing Street, the British prime minister's residence, in which she had stayed for 11 and one-half years; and the new master Prime Minister John Major was welcome to it. John Major, 47, has become the youngest British prime minister since 1894.

It is believed that Prime Minister Major is the "successor" to Mrs. Thatcher, having been carefully trained by her, and that he will uphold "Thatcherism." At one time, John Major himself also stressed need to continue Mrs. Thatcher's policy. On the other hand, his character and style of handling things are different from those of Mrs. Thatcher. "He wants to put a special stamp of his own on the government's policies."

First, regarding social policies, such as policies on the poll tax system, education, and public health, Prime Minister Major has clearly expressed his intentions. According to the original poll tax system, every adult must pay the same tax amount, whether he is rich or poor. Public opinion criticized it by saying that "it appears to be fair but in fact is unfair," and that the proposal has caused the Conservative Party to lose a lot of supporters, and therefore "is not a wise reform of the tax system." During the election campaign, Major said, as the two other candidates did, that he "would reconsider" the poll tax system. He has also included Heseltine in his cabinet, who vigorously advocates reform of the poll tax system. Prime Minister Major stressed the need to improve education, saying that "education is the key to a better society." It is believed that he will appropriately increase public expenditures so as to improve the quality of public services.

Second, on the aspect of economic policies, he advanced the so-called "Thatcherist six-point economic idea:" Reconsider the poll tax system, but not at the expense of a high income tax; lower the interest rates, but not at the expense of high inflation; eliminate inflation, but not at the expense of high interest rates; cooperate with Europe, but not at the expense of Britain's sovereignty; improve the wages and conditions of blue-collar workers, but not at the expense of high wages; raise the salaries of teachers, but not at the expense of more money. Opinion here holds that except for the interest rates and the European issue, the above limitations reveal that there will not be any great change in the economic policy for the time being. This is perhaps the reflection of Britain's present economy which is trapped in recession and inflation.

As for its European policy, it is reported that the Major administration still currently retains the basic principles of Margaret Thatcher's European policy, namely that it is not against the big European market, but against the "United States of Europe;" that it sticks to the "hard European Currency Unit" proposal, avoids accepting a single European currency directly, and rejects the European Central Bank. But the Major administration will take relatively flexible measures in every effort to reduce Britain's disputes with its partners. Moreover, the Major administration will also work hard to "put his own stamp" on Europe's political union, in order to show that Britain is, at least, also riding on the European special express.

After Major was elected prime minister, people at home and abroad have become particularly concerned about the policy trend of the Major administration. At home, Labor Party Leader Kinnock said that "Major is a Thatcherist," and there will not be substantial changes in policy. The United States President immediately called Major and sent his congratulations. The leaders of the two countries hope to meet with each other soon. Government spokesmen of some European countries like

Germany and France said they hope Major's office as prime minister will be favorable to the promotion of "Europe's union."

Former UK Prime Minister Heath Visits Beijing

Meets With Jiang Zemin

OW0112093890 Beijing XINHUA Domestic Service
in Chinese 0800 GMT 1 Dec 90

[By reporter Chai Shikuan (2693 0013 1401)]

[Text] Beijing, 1 Dec (XINHUA)—At a meeting with Edward Heath, former British prime minister, in Zhongnanhai this morning, Jiang Zemin, general secretary of the CPC Central Committee, said that China has all along attached importance to its relations with Britain. In addition to our common interests on the question of Hong Kong, he said, a sound Sino-British relationship is in accord with the fundamental interests of our two peoples.

According to a Chinese official, Jiang Zemin stressed at the meeting that China not only attaches great importance to cooperating with Britain on the issue of Hong Kong today, China also will maintain close cooperation with Britain even after 1997. He was fully confident that the prosperity in Hong Kong will be preserved.

During the meeting that lasted more than an hour, Jiang Zemin briefed his visitor on China's domestic situation. He said: "We will continue to implement the reform and open policies and adhere to the principle of integrating planned economy with market regulation. We will boost our economy without fail."

Present at the meeting was Han Nianlong, president of the Chinese People's Institute of Foreign Affairs.

Views Issues With Li

OW3011191790 Beijing XINHUA in English
1303 GMT 30 Nov 90

[Text] Beijing, November 30 (XINHUA)—Chinese Premier Li Peng and visiting former British Prime Minister Edward Heath conversed for one hour on Chinese economic affairs and on a number of international issues here today.

Describing Heath an old friend of China, Li praised him for his efforts in promoting Sino-British relations and asked him continue to do so.

Li also briefed the visitor on the policies and measures China has taken to curb inflation, stimulate production, enliven the market, provide more jobs and expand economic cooperation with other countries.

Present at the meeting was Han Nianlong, president of the Chinese People's Institute of Foreign Affairs which has invited Heath to China.

Heath, who is on his 14th visit to China, arrived three days ago and is scheduled to tour Shanghai.

XINHUA Examines German Election Results

OW0312080890 Beijing XINHUA in English
0800 GMT 3 Dec 90

["Roundup: German Election, a General Examination"—XINHUA headline]

[Text] Bonn, December 2 (XINHUA)—The governing coalition of Chancellor Helmut Kohl's Union and the Free Democratic Party, which just won the first direct election in a unified Germany today, was accompanied by the losses in the main opposition, the Social Democratic Party—a result just as many expected.

The election results, which establish a political position in the new parliament and government, is a continuation of the German unification process.

Although some 40 parties were involved in the struggle for 656 parliament seats, Kohl's Union and the Social Democratic Party formed the major contestants. However, the two parties displayed great disparity in strength.

The Union adopted a strategy centered on Kohl, whose name is synonymous with the success of the historic reunification of Germany in 10 months after forty years of division. The first chancellor of the unified country used his position to keep the Union Party in the leading position from the beginning of the race.

The main opposition group, the Social Democrats who were led by candidate Oskar Lafontaine, were constantly in a disadvantaged position. Kohl did not mention his opponent's name once in his 70 election speeches, and also refused to debate Lafontaine on television. The Social Democrats generated little interest among the electorate with their policies; analysts say that there was no focus to their campaign.

A German newspaper report said that the election aroused "the least amount of interest from voters since 1972". It has been a most boring process especially for the 12 million voters in the former eastern portion of Germany as it was their fourth trip to the ballot box since March. Voters from the east showed more concern about current difficulties than politicians' vows and predictions.

Aside from Kohl's achievement of unifying Germany, more things contributed to his success in defeating the Social Democrats.

Since Kohl's government first took power in 1982, the economy has continued upward at a steady pace for 8 years, and the country's trade surplus has surpassed 100 billion marks for 4 years running. Moreover, the inflation rate has been kept low, and the number of unemployed has drastically decreased. The health of the

economy has guaranteed for Kohl's government a stable social situation in which unification could be realized.

As for the Social Democrats, not only were they put at a disadvantage by the dramatic changes in Eastern Europe last year because of their socialist tinge, but they also failed to carry the banner of unification. The assassination attempt on Oskar Lafontaine's life last April cost him and his party three valuable months at a crucial time during the historic course of making Germany one nation again.

The Social Democrats also suffered from serious tensions between older and younger generations within the party. Former Chancellor Helmut Schmidt from the older generation said in an interview with a Dutch newspaper during the election that Lafontaine "is destined to fail". His words angered younger Social Democrats so much that they demanded his expulsion from the party.

Kohl's Union and the Free Democratic Party, the two parties that form the ruling coalition, have many differences on issues such as increasing taxes, creating a low interest rate region in the former East Germany, as well as making cuts in the number of military personnel, just to name a few.

Due to these differences and the strengthened position of the Free Democratic Party, the two sides are expected to have a tough contest in the upcoming cabinet-forming negotiations.

Rong Yiren Addresses Seminar in Germany

*OW0112015690 Beijing Domestic Service
in Mandarin 1600 GMT 27 Nov 90*

[Text] On the afternoon of 26 November, Rong Yiren, chairman of the China International Trust and Investment Corporation, addressed a seminar in Cologne at the invitation of the German (?Business) and Economic Council.

In his report, Rong Yiren stressed that during the new five-year plan, which will begin in 1991, China will continue to implement the policy of reform and opening to the outside world. Key areas of investment in China will be agriculture, energy, communications, and development of raw materials.

Rong Yiren said that China will step up construction of the special economic zones. He also made special note of how Shanghai's Pudong Development Zone is vested with a good investment environment and on-the-spot conditions for cooperation with foreign enterprises.

Rong Yiren said: In order to develop its economy, China is willing to accept loans from foreign governments and international financial organizations.

Rong Yiren expressed his objection to trade protectionism, and called for continuation of sound international cooperation on the basis of respect for different social and economic systems.

European Community Delegation Visits Tibet

*OW0112215190 Beijing XINHUA in English
1626 GMT 1 Dec 90*

[Text] Lhasa, December 1 (XINHUA)—Italian Ambassador to China Oliviero Rossi said here today that Tibet is an inseparable part of China, and European Community nations are willing to offer funds and technology for cooperation with Tibet.

As head of a delegation of five EC nations' ambassadors to China, Rossi made the remark when his delegation ended its visit to Tibet.

Leaving Tibet tomorrow, the delegation includes Irish Ambassador Gearoid O'Broin, initiator of the visit, Luxembourg Ambassador Paul Schuller, Spanish Ambassador Eugenio Bregolat y Obiols and Portuguese Ambassador Jose Manuel Devilas-Boas.

After arriving in Tibet on Monday, the delegation visited a hospital of Tibetan medicine, Lhasa's municipal works and toured Xigaze.

Latin America & Caribbean

Zhu Liang Meets Argentine Justice Party Leader

*OW3011224590 Beijing XINHUA in English
0842 GMT 30 Nov 90*

[Text] Buenos Aires, November 29 (XINHUA)—President of Argentina's Justice Party Eduardo Menem met here today with a visiting Chinese Communist Party delegation, saying that the two parties shared the same outlook on many issues.

He told the delegation headed by Zhu Liang, chief of the International Liaison Department of the Chinese Communist Party's Central Committee, that the two parties hold the same points of view on maintaining world peace, establishing a new global economic order and developing South-South relations.

He said that he is looking forward to the visit of Jiang Zemin, general secretary of the Chinese Communist Party. During his trip to China in mid-November, Argentine President Carlos Saul Menem invited Jiang Zemin to visit his country.

Fishery Cooperation Document Signed With Mexico

*OW3011235490 Beijing XINHUA in English
1610 GMT 30 Nov 90*

[Text] Mexico City, November 30 (XINHUA)—Mexico and the People's Republic of China Thursday night signed a letter of intention on fishing cooperation to

strengthen the ties between the two countries and identify possible fields of cooperation in this sector.

The document was signed by the head of China's Government agricultural delegation, Agriculture Vice-Minister Liu Jiang and Mexican Fishing Undersecretary Clara Jusidman.

In the letter, the two parties expressed their intention to reactivate their fishing relations, adding that there was a potential for cooperation in the fields of science, technology, commerce and [word indistinct].

The two delegations also said they were interested in establishing fishing ties on the basis of equality, mutual benefit and reciprocal assistance according to each country's situation and priorities.

They agreed to set up cooperation mechanisms and their modalities to start the necessary steps to reach specific projects within the framework of the Mexico-China cooperation.

In the letter, Mexico said it was interested in establishing bilateral cooperation ties in the sectors of capture technology, technological development for the semi-industrial and industrial processing of fishing products, and aquaculture.

Political & Social

Tokyo TV Cited on CPC Plenum Date

OW0312043890 Tokyo NHK General Television
Network in Japanese 0300 GMT 3 Dec 90

[Text] A plenum of the CPC Central Committee, which has been delayed, likely will be held this week, at the earliest. The CPC Central Committee plenum was scheduled to be convened immediately after the closing of the Asian Games in October. Due to a failure in ironing out differences of opinion in the party over long-term plans, there was speculation, however, that it might be delayed until next year.

According to an interested Chinese source in Beijing, the party appears to have come to a settlement recently, with the basic line of further promoting the policy of opening to the outside world and aiming at an annual economic growth rate of six percent. For this reason, the timing for the convocation of the party Central Committee plenum will be moved up. Now it will likely be held sometime this week, at the earliest.

The plenum, to last approximately three days, may examine the personnel administration of the Political Bureau, including those on the Standing Committee, in addition to formulating basic policies, including the five-year or 10-year plans.

Uncertainty Still Surrounds Plenary Session

HK0312014790 Hong Kong SOUTH CHINA
MORNING POST in English 3 Dec 90 p 12

[By Willy Wo-lap Lam]

[Text] Controversy has surrounded the opening date of the much-delayed seventh plenum of the Communist Party Central Committee, originally scheduled for October. An aide of former British prime minister Mr Edward Heath, who met party chief Mr Jiang Zemin in Beijing over the weekend, said Chinese officials said the plenary session would open on December 25.

However, Chinese sources in Beijing and Hong Kong say the plenum will more likely be held this week.

The tone for the plenum, whose major task is to endorse the Eighth Five-Year Plan and the Ten-Year Economic Blueprint, has already been set by a central-level planning conference, which ended in Beijing on Saturday.

The China-watching journal ECONOMIC REPORTER said a major thrust of the economic plans would be to ensure a "sustained, stable and harmonious" economic development, and that the growth rate for the 1990s would be about five and six per cent.

Sectors including agriculture, energy, transport and defence would receive preferential treatment.

Chinese economists say this agenda reflects the thinking of Mr Li, who dominated the just-concluded planning conference.

Deng Reportedly 'Seriously Ill'; PLA in Readiness

HK0112051090 Hong Kong TUNG FANG JIH PAO
in Chinese 1 Dec 90 p 6

[Report: "Deng Xiaoping Reportedly Is Seriously Ill and Can No Longer Speak"]

[Text] According to a reliable source from the higher echelons of leadership in Beijing, in the past few days, Chinese leader Deng Xiaoping was so very seriously ill that he could no longer speak. Therefore, the seventh plenary session [as published] had to be postponed and there would be no one able to have the final say on the Eighth Five-Year Plan. It is rumored that the Chinese People's Liberation Army has been placed on first-degree combat readiness.

It has been reported that Deng Xiaoping suffered from an old man's disease [lao ren bing 5071 0086 4016] and has been ill for some time. Recently, slobber oozed from the corners of his mouth and he could no longer hold his lips together. The state of his illness is similar to that of the late CPC leader Mao Zedong during his final years.

Journal Views Personnel Struggle Within CPC

HK0312104290 Hong Kong CHENG MING in Chinese
No 158, 1 Dec 90 pp 6-8

["Notes on the Northern Journey" by Lo Ping (5012 0393): "Inside Story of the Resignation of Chen Yun, Wang Zhen, and Li Xiannian"]

[Text] Beijing: Disturbance Amid Tranquility

Not a shot fired, a slogan shouted, or any Army trucks rolling over Changan Avenue; Zhongnanhai, to the south of Beihai Bridge, was as calm as usual. On 20 November, Beijing's atmosphere was as tranquil as it normally is. However, the Beijing people, who are very sensitive, felt their political nerve cells pulsating, for the political atmosphere over the previous few days was unusual.

—From 0000 on 20 November, the Beijing garrison secretly went on combat alert; the order was issued on the evening of 19 November.

—According to information, on the afternoon of 19 November, the airport on the outskirts of Beijing saw the arrival of three large transport planes, and security at the airport was stepped up.

—A rumor flew everywhere as if it had wings: Deng Xiaoping was seriously ill and in a coma; another rumor said he had died. What had happened?

First Level Combat Alert and Deng's Family

After intensive enquiries, the answer to the riddle was made available:

The first level combat alert was for the conduct of a comparatively large-scale military exercise.

The special movement at the airport was linked to the military exercise.

There was indeed news from Deng's family: It was not Deng who had died, but Xia Baigen; Xia was 94 years old and Deng's foster mother, who allegedly died on 17 November. She had been very nice to Deng Lin and her brothers and sisters, and for this reason Deng Lin, who was in Tokyo for her painting exhibition, could not wait until the end of the exhibition and returned to Beijing on the same day. On that day, many important people came to Deng's house to see Deng Xiaoping, and Deng said to his guests: "This is a family affair; there is no need to make it public to the outside world," adding "I am still well, Marx has not sent me an invitation card."

Secret Message: Three Letters of Resignation

This was the cause of the "false alarm."

During the days of such frequent rumors, an unexpected secret message, however, came silently from the senior level: Chen Yun, chairman of the Central Advisory Commission; Li Xiannian, chairman of the Chinese People's Political Consultative Conference [CPPCC]; and Wang Zhen, vice president, had submitted letters of resignation to the CPC Central Committee.

This did not happen in a single day. Chen Yun's letter was sent at the end of September; Li Xiannian's and Wang Zhen's letters were sent in the middle or at the end of October.

This, of course, can be regarded as rumor, but the person who disclosed this information, and my friends who have close contact with Zhongnanhai, say it is true.

Trial Balloons Were Released a Long Time Ago

My friend said that even before June 4 last year, several old men had intended to retire. Perhaps that was a trial balloon, or maybe they wanted to retire together with Deng Xiaoping. Thereafter, however, came the student movement, the democracy movement, and the 4 June incident; the old men held a meeting and decided not to retire for the moment so as to stabilize the situation.

Two months ago, Deng Xiaoping and Chen Yun met and discussed politics, once again Chen Yun said that he wanted to quit the post of chairman of the Central Advisory Commission, and quickly wrote to the CPC Central Committee. The letter said: The CPC Central Committee's leadership group of a new generation is mature, and the party's key policies and principles have been fixed, therefore my own duty should come to an end.

The Three Old Men Resign; People Should Not Rejoice too Soon

Li Xiannian said he wanted to resign because of poor health. Wang Zhen also admitted he was old; he had fallen and hurt his pelvis, and the diagnosis confirmed a fracture. He is currently receiving treatment at Beijing 301 Hospital. No matter what, they are, indeed, old and weak. Their strength falls short of their wishes to continually endure great pressure in the political arena.

Perhaps some people will be happy to see the resignations of the three conservative old men, and think that China's overall situation will improve. I think they should not rejoice too soon. I have three reasons:

Retreat From the Front Stage to Behind the Curtain

First, the retreat of Chen, Li, and Wang is not a real retreat from the political arena, but is a retreat from the front stage to behind the curtain.

When the two prominent figures—Chen and Deng—held talks, Deng Xiaoping told Chen Yun that it was necessary to consolidate Jiang Zemin's core leadership system, that "China cannot go wrong again, no more disturbances, otherwise, the future is not very bright." Deng also said he "will not interfere in small affairs, but will make suggestions concerning big ones." Thereafter, Chen Yun, Li Xiannian, and Wang Zhen said that they agreed with Deng Xiaoping's opinion, and that after they have retreated, they would also "not interfere in small affairs, but will help by making suggestions concerning big affairs." Does the so-called "making suggestions concerning big affairs" or "help by making suggestions concerning big affairs" not resemble a "court behind the curtain?" They have not said they oppose Jiang Zemin sitting on the chair as general secretary, but with the old men enjoying the right to make "suggestions," is Jiang Zemin a person of real power? If someday they want to pull Jiang down from the horse, it will not be too difficult a thing to do.

The Three Old Men Recommend Conservative "Successors"

Second, in addition to this, Chen, Li, and Wang picked their own "successors," in order to ensure that after they have retreated they can still manipulate those in power on the front stage.

—Chen Yun recommended Bo Yibo as chairman of the Central Advisory Commission.

—Li Xiannian recommended Wang Renzhong as chairman of the CPPCC.

—Wang Zhen's recommendation was really shocking, he vigorously recommended Deng Liqun as vice president, saying that Deng Liqun was a "comrade who has strong party spirit."

If these three "successors" pass the barrier, what would communist China look like? I need not elaborate.

The Two "Gangs of Five"

Third, the conservative force is also deliberating on an arrangement: Two groups of force, one overt and one secret, to control the power of the party, government, and in the ideological field. The overt one comprises Hu Qiaomu, Deng Liqun, Xu Weicheng, He Jingzhi, and Gao Di (director of RENMIN RIBAO)—the "gang of five." They are the ones overtly placed on the front stage. Another five persons will stay out of the limelight, they are Peng Zhen, Bao Yibo, Xi Zhongxun, and Deng Yingchao—the other "gang of five" which some Beijing people call the "underground gang of five."

These two "gangs of five;" the three "successors" to the cherished positions of chairman of the Central Advisory Commission, of the CPPCC, and of the vice president; people such as Li Peng, Yang Shangkun, and Yang Baibing; and such as Chen Yun, constitute five levels and five groups of force, three overt and two secret. They will set up blockades for the "enlightened school," surround them layer by layer, making it very difficult for the moderate school and reform school to move even an inch. How sinister and thorough is their plan?

"Down With Li, Down With Wan, and Oppose Jiang"

Recently, the "gang of five"—Hu, Deng (Liqun), Xu, He, and Gao have been very active. They have already secured the ideological field, a very important position, and they are prepared to overthrow three people step by step. The first is Li Ruihuan; second, Wan Li; and third, Jiang Zemin. Some conservative elements have even shouted "down with Li, down with Wan, and oppose Jiang." Those currently under the greatest pressure are Wan Li and Li Ruihuan. For example, the All-China Women's Federation was about to hold a meeting on ideological and political work, Li Ruihuan had been the one charged with the responsibility of overseeing ideology, and he should have been consulted and briefed. But someone (perhaps Deng Yingchao, or Xu Weicheng, it cannot be verified at this moment) said something, and the meeting was postponed until further notice. It was alleged that they preferred not to hold the meeting rather than to consult Li Ruihuan. Here we can see that the conservative school hates Li Ruihuan very much.

Li Ruihuan Has Not Been Toppled; His Fate Is Still Dangerous

Up to now, however, Deng Xiaoping has not openly criticized Li Ruihuan. At present, Deng Xiaoping sees ensuring stability and unity within the core of the party as the most important thing for the party, therefore, Li Ruihuan's position will not change for the time being. A conservative has even said: "The problem of Comrade Li Ruihuan is not that serious. Some comrades criticized Li Ruihuan for his excessively outspoken manner and for his not listening to different opinions; Comrade Li Ruihuan has made an internal speech concerning these problems. He admitted his problem, and won the understanding of most comrades." After the Fan Zeng incident took place, Li Ruihuan suffered from clashes, but at the

Political Bureau meeting in mid-November, Li Ruihuan passed the dangerous barrier. It might be difficult, however, for his position to remain totally unchanged after the seventh plenum, because the "gang of five" will further weaken his power. Recent information has it that after the seventh plenum, the CPC Central Committee Propaganda Department and the Ministry of Culture will probably organize departments of external propaganda, with relatively great power to function independently. This is to say, under the attack from the "gang of five," even if Li Ruihuan can avoid an immediate halt in his political career, he will be without real power.

Although Wan Li Has Passed the Barrier, He Still Faces Great Pressure

The "backstage support" of Li Ruihuan is Wan Li, a comparatively moderate CPPCC chairman who is wanted out of the picture by the two "gangs of five," especially Peng Zhen. Recently, they used the Fan Zeng incident to attack Wan Li, but because he has good relations with Deng Xiaoping, good relations with people at the senior level of the CPC, and enjoys high prestige among the people, he "smoothly passed the barrier" at the Political Bureau meeting on 15 November. The conservative faction would not, however, let him go easily. The resignation of the three old men, Chen, Li, and Wang, will create certain pressure for Wan Li, who is more than 70 years old.

There are indications that the resignation of Chen, Li, and Wang are indeed a retreat in order to advance. People such as Chen Yun and Peng Zhen stubbornly insist on saving socialism and Stalinism; they want to drive those who they think engage in bourgeois liberalization out of the CPC's power circles, and they want to gather all the party, government, and Army power in the hands of the conservative faction. Therefore, the resignation of Chen, Li, and Wang is in fact the beginning of a new round of power distribution and power struggle. There are indications that Jiang Zemin is aware of this. This general secretary, who lives in a crack and in conflict, is seemingly reacting in terms of action (if more information is available, it will be published in the December issue of TUNG HSIANG).

The seventh plenum has been postponed time and again, and it has been alleged that the economic departments have become impatient; it should be convened at the end of December, and within this period, the controversies regarding the Eighth Five-Year Plan within the CPC, and the disputes concerning personnel arrangement at the senior level, will intensify. Up to now, it seems that the conservative faction has the edge and holds the dominant position. One of their strong points is that they have already grasped the most important department at the senior level of the CPC—the Propaganda Department—and the party's whole propaganda machine as well.

Dissidents Reportedly Facing Death Sentences

*HK0112081990 Hong Kong TANGTAL in Chinese
No 53, 1 Dec 90 p 4*

[Article by Ho Po-shih (0149 0130 2457): "Wang Juntao and Chen Ziming Face Death Sentence"]

[Text] Wang Juntao and Chen Ziming, viewed by the Central Committee as the major "black hands" behind the pro-democracy movement last year will be put on trial soon. The Beijing Ministry of Public Security has already sent official notices in written form to the dependents of Wang Juntao and Chen Ziming. In actual fact, during the past year or so since their apprehension, their dependents have never stopped trying to rescue them, but to no avail. Eventually, Wang Juntao's wife, Hou Xiaotian [0186 2556 1131] had to resort to making contact with foreign journalist circles stationed in Beijing, hoping to arouse overseas concern to uphold justice for Wang and Chen. The fact that she ran the risk of being charged with the crime of "relying on foreign forces to put pressure on the motherland" reflects how hard pressed is the state of affairs.

The 32-year-old Wang Juntao is a young scholar who has enjoyed a rather high reputation in China in recent years. Wang was also someone who understood quite well how to fight for democracy through nonviolence in a legal way. Regretfully, the CPC could not tolerate his legitimate and peaceful means, making sure that he cannot make a political comeback.

Li Peng Wants To Sentence Wang Juntao to Death

According to an informed source, the CPC conservatives are unanimously dead certain of Wang Juntao's "crimes." Among these, Li Peng has taken the toughest stand and insists that Wang should be shown no mercy and be severely punished. At a Political Bureau session to discuss how to handle the pro-democracy elements, he cited the significant role played by Wang Juntao as "an activist in all four movements" and said that showing leniency towards Wang Juntao would be like "letting a tiger back on the mountain after it had been caught." Because of Li Peng's insistence on severely punishing Wang Juntao, the conservatives are all the more determined to do so. Deng Xiaoping has rarely agreed with Li Peng but he made an exception on this particular issue regarding severely punishing Wang Juntao. The informed source said that what accounted for Li Peng's bitter hatred for Wang Juntao was his belief that those "black hands" behind last year's pro-democracy movement aimed to overthrow him and Wang Juntao was "the black hand among black hands." Because of Wang Juntao's political charisma, even Wang Dan and Liu Gang listened to his words.

Wang Juntao Is To Be Found Guilty of Being "An Activist in All Four Movements"

"An activist in all four movements" as cited by Li Peng refers to the "significant role" played by Wang Juntao during the Tiananmen Square Incident in 1976, the

student movement in 1980 (mainly the fight for democracy on the campus; at that time, Wang Juntao, together with Hu Ping, now chairman of the U.S.-based Federation for Democracy in China, openly ran for election, breaking away from the traditional practice of the university authorities appointing candidates), the student movement toward the end of 1986, and last year's pro-democracy movement. During last year's pro-democracy movement, Wang Juntao had repeatedly weighed the pros and cons of whether or not he should participate in the movement and he knew very well that if he plunged into the movement, inevitably the Beijing Socioeconomics Institute, with which he had close ties, and a number of organs under it would be involved. In the worst case scenario, those organs could be uprooted. He listened to opinions from various angles and kept himself away from the movement. Later, the situation kept changing and the authorities had internally determined the nature of his case even prior to the publication of the 26 April RENMIN RIBAO editorial. Consequently, he found there was a need to fight for democracy through various legitimate channels.

The Trail to Arrest Wang Juntao Was Set

Wang Juntao shed his illusions in the wake of the "4 June" incident and the only way out for him was to hide for the time being. At first, he took shelter at a friend's home and went south when the situation seemed to have relaxed.

At that time, a friend of his in Hunan offered him help and even managed to find him a plastic surgeon. But he was not quite determined to leave the country then and had little cash because of his sudden departure, so he stayed in Changsha.

Later, he continued heading south. There had been someone ready to help him but, regretfully, the person in question exposed himself in action and was arrested by the public security personnel. One of the public security men, pretending to be Wang's arrested friend contacted Wang Juntao, making an appointment to meet at the railway station. Wang was careless at that time and did not have the least doubt about what the man said. He went to the railway station at the appointed time and was arrested instantly.

Attention Should Be Paid to Luo Hai-hsing's Case

Wang Juntao was apprehended in mid-October last year. Earlier, Chen Ziming and his wife Wang Zihong were arrested in Zhanjiang. The CPC charged Hong Kong businessman Luo Hai-hsing with being involved in Chen's case and he is also in custody. Luo is still being held at the First Detention Station in Huanghui Road, Guangzhou. As Chen Ziming will be put on trial soon, it is likely Luo Hai-hsing's case will also be dealt with and which deserves the same attention.

Many of Chen Ziming's Subordinates Have Been Involved

In the wake of Chen Ziming's arrest, the Beijing Socio-economics Institute under his charge (Chen being its director and Wang Juntao its deputy director) and a number of organs under its jurisdiction have been disbanded, including some qualified people exchange centers, correspondence schools, and the office of the journal JINGJIXUE ZHOUBAO. They founded all these organs according to the law and had done nothing wrong in operating them. The CPC, however, has a way of prosecuting people for what they say; consequently these organs were all deemed to be involved, while their responsible persons (such as Wan Xinjin [8001 2450 6855] and Liu Danhong [0491 0030 4767] and others) have been held in custody for interrogation after being compelled to flee the country with no further news being heard of them.

CPC charges against Wang Juntao and Chen Ziming (plotting revolt and counterrevolutionary instigation) can carry the death penalty; an ill fate awaits them both. Although it is estimated that the CPC may have some misgivings about giving them the death penalty because of the international community's concern, if they are given long terms of imprisonment that would also be tragic. China would lose another two of its best elements, who see problems and worry about them before everybody else does.

Jiang Zemin Attends Commendation Meeting 2 Dec

OW0212202790 Beijing XINHUA Domestic Service
in Chinese 0927 GMT 2 Dec 90

[By reporters He Ping (0149 1627) and Liu Siyang (0491 1835 2254)]

[Excerpts] Beijing, 2 Dec (XINHUA)—A three-day meeting to commend advanced discipline inspection organizations and outstanding discipline inspection cadres around the country ended in the Great Hall of the People this afternoon. Jiang Zemin, general secretary of the CPC Central Committee, and Qiao Shi, standing committee member of the Political Bureau and secretary of the Discipline Inspection Commission of the CPC Central Committee, attended the meeting and presented awards to the outstanding organizations and cadres.

On behalf of the CPC Central Committee, Jiang Zemin extended warm congratulations and regards to the commended organizations and cadres and, through them, heartfelt thanks and greetings to the discipline inspection department and the large number of discipline inspection cadres nationwide. [passage omitted]

The closing session was chaired by Comrade Qiao Shi. A decision of the Central Discipline Inspection Commission to commend outstanding discipline inspection organizations and cadres nationwide and a name list of the commended organizations and cadres were read at the

meeting. According to the decision, the discipline inspection commission of the Changping County CPC Committee in Beijing municipality and 54 other units were conferred the title of "National Advanced Organization in Discipline Inspection," and Deputy Secretary Yu Chaoxian of the Beijing United Automotive Industry Cooperation and 295 others were given the title of "National Outstanding Cadre in Discipline Inspection." The Central Discipline Inspection Commission called on the party's discipline inspection organizations and cadres at all levels to follow the title recipients as examples, emulating their political awareness of earnestly implementing the party's basic line and maintaining a high degree of unity with the party Central Committee; their selfless and fearless character in upholding the principle and enforcing discipline impartially; their noble sentiment of being strict to themselves, executing duties with honesty, and taking delight in offering service; their fine work style of seeking truth from facts, going deep into the realities of life, and forging close ties with the masses; and their pioneering spirit of working hard and courageously seeking advance.

Gives Speech

OW0212181490 Beijing XINHUA Domestic Service
in Chinese 1007 GMT 2 Dec 90

[Speech by Jiang Zemin at the National Conference To Commend Advanced Organizations and Outstanding Cadres in Discipline Inspection; 2 December in Beijing]

[Text] Beijing, Dec 2 (XINHUA)—The national conference to commend advanced organizations and outstanding cadres in discipline inspection will soon come to a successful conclusion. This is the first commendation meeting convened in the field of discipline inspection nationwide since the reinstitution of the Central Discipline Inspection Commission by the Third Plenary Session of the 11th CPC Central Committee. On behalf of the party Central Committee, I extend warm congratulations and regards to the outstanding discipline inspection organizations and cadres who are commended at this conference and, through you, sincere gratitude and greetings to discipline inspection organizations and cadres throughout the country.

Under the leadership of the party Central Committee and local party committees at all levels, discipline inspection offices at various levels and the large number of discipline inspection cadres have assisted actively the party Central Committee and party committees at different levels in eliminating chaos and restoring order in ideology and organization, and strived to revive the party's fine tradition and style of work in the past 11 years. Upholding the party's four cardinal principles, they took an unequivocal stand in opposing the ideological trend of bourgeois liberalization and the turmoil and counterrevolutionary rebellion in Beijing between the spring and summer of last year, thereby safeguarding the

party's administrative discipline. Adhering to the principle of maintaining high standards of the party, the discipline inspection organizations and cadres strictly enforced party discipline in investigating a host of discipline violation cases and in eliminating degenerate elements, thereby purifying the ranks of the party and enhancing its fighting capability. Rectifying various unhealthy tendencies, the discipline inspection organizations and cadres strengthened the education in party spirit and work style and gradually set up certain rules and regulations. All of these have given a strong impetus to promoting construction and reform, improving party work style, enforcing party discipline, making government honest and clean, and achieving national stability. The outstanding discipline inspection organizations and cadres who are commended at this conference are the role models for discipline inspection organizations and cadres throughout the country. With the meritorious services you have performed at your posts, you are worthy of the name communist and are the party's loyal guardians in reality as well as in name.

The work style of the party in power is vital to its very existence. To ensure the realization of the strategic goal of socialist modernization and promote the economy as quickly as possible, it is imperative to continue to intensify party building, strengthen ideological and political work, and conscientiously do a good job in fostering a good style of the party, enforcing party discipline, and making government honest and clean. We must adhere unswervingly to the principle of "attending to the work of both fields." Construction of work style and enforcement of discipline of the party are the major components of party building. At present, a major climate for intensifying the construction of party work style and a clean government has taken shape. The situation is excellent; however, we should not be unrealistically optimistic. The struggle between the four cardinal principles and bourgeois liberalization will continue for a long time to come. Unhealthy tendencies and decadent practices existing in certain aspects inside the party continue to tarnish the image of the party. Party organizations at all levels must see to it that improving party work style, enforcing party discipline, and constructing a clean and honest government are placed in an important position. Party organizations also must exercise greater leadership over discipline inspection work, support discipline inspection offices in improving the organization and the quality of personnel and in thoroughly performing their duties, and help them solve difficulties and problems in the work. Leading party cadres at all levels should set good examples and take the lead in doing exemplary deeds. Discipline inspection organizations should take the initiative in doing their work, and closely coordinate with the relevant departments in forming a strong force, thereby fully displaying the total efficiency of inspection and supervision. So long as everyone emulates outstanding discipline inspection organizations and cadres in maintaining a high degree of ideological and political unity with the party Central Committee, selflessly and fearlessly upholding the principle, performing official

duties with honesty, taking delight in offering service, seeking truth from facts, forging close links with the masses, studying diligently, and making determined efforts to seek progress, you certainly will be able to triumph over all difficulties, endure tests, and complete the glorious and yet arduous assignment entrusted to you comrades by the party and the people. The party Central Committee hopes that through this conference, you will score even greater achievements and launch a nationwide activity of "learning from, emulating, and surpassing the advanced" on the discipline inspection front, thereby advancing the party's discipline inspection to a new height.

May comrades win new successes in future work!

Jiang Zemin Inspects Guangxi's Beihai City

*HK3011141090 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 30 Nov 90*

[GUANGXI RIBAO report: "Guangxi Is Full of Hope"]

[Excerpts] After leaving Bose, an old liberated revolutionary area, the plane carrying General Secretary Jiang Zemin flew for 30 minutes and arrived in Beihai City, which is an open coastal city on the shore of Beibu Bay.

On the afternoon of 22 November, Jiang Zemin and his entourage inspected the Beihai Port and two export-oriented enterprises. [passage omitted]

Jiang Zemin told leaders of Beihai City: We must steadfastly adhere to opening up to the outside world, conscientiously formulate plans, lay a solid foundation, make a good start, and make steady progress.

On the afternoon of 24 November, the regional party committee gave a work report to the general secretary. [passage omitted]

After Comrade Zhao Fulin and Comrade Cheng Kejie gave their work reports, Jiang Zemin asked the principal responsible comrades of the regional advisory committee, People's Congress Standing Committee, and CPPCC [Chinese People's Political Consultative Conference] Committee as well as the members of the Central Advisory Committee each to speak and express their views. [passage omitted]

Jiang Zemin frankly said: The comrades from the departments concerned should conscientiously study the questions raised by Guangxi after returning to Beijing and should try to solve those questions which can be solved. As for those which cannot be solved, explicit explanations should be given.

On the morning of 25 November, before Jiang Zemin left Guangxi, the regional party committee held a meeting of party-member leading cadres to listen to an important speech given by General Secretary Jiang Zemin.

Jiang Zemin said: The Guangxi people have glorious revolutionary traditions and have experienced many vicissitudes of life and gone through a good deal. The Guangxi people have made enormous contributions to the defense of the southern door of the motherland. The central authorities and the people of the whole country will never forget this and should be grateful to the Guangxi people.

After listening to these remarks which were made by Jiang Zemin from the bottom of his heart, many cadres were moved to tears. [passage omitted]

Jiang Zemin pointed out: The close unity among the people and cadres of all nationalities in Guangxi is a reliable guarantee for safeguarding political stability and promoting economic construction. He sincerely urged all the leading cadres attending the meeting to treasure and cherish as much as they can the political situation of stability and unity in Guangxi and demanded that all their remarks and actions be conducive to the unity, stability, and prosperity of Guangxi.

Li Ruihuan Praises 'Volunteer Societies'

OW0312093790 Beijing XINHUA in English
0858 GMT 3 Dec 90

[Text] Tianjin, December 3 (XINHUA)—Tianjin's 2,000 neighborhood committees have attracted over 120,000 volunteers as members of "Volunteer Societies" which supply services at no charge.

The societies have only one regulation: Those who wish to join will be admitted provided that they will voluntarily serve the city's residents at least twice each month.

A local official said that as a result of the implementation of family planning policies in China families are becoming smaller, and care for the elderly less popular. This situation inevitably presents many problems: Elderly people cannot find anyone to take them to the hospital should they become ill; the elderly have no strength to carry the heavy items they purchase; young couples have no nurses to care for their babies, nor do they have housekeepers to clean and guard their houses while they work.

Volunteer societies have set up many kindergartens, clinics for the blind, preschool classes and welfare factories in the densely populated areas in the city. The societies have also founded a number of service centers which supply more than 270 service items, such as haircuts, sewing, washing and repairing.

The members of the societies consist of not only retired officials and workers, but also many in-service workers, officials, teachers and students.

A local official said that the societies not only solve the difficulties which occur in the daily life of residents, but also motivate the people to help each other thereby improving social moral standards.

One example of volunteer societies in action involved Zhao Yuzhen, an elderly woman who lives in Tianjin City, who suffers from hypertension. Her problem was compounded when her members of her family began to die and she was left with only her sick daughter.

Zhao was so desperate that she wanted to commit suicide.

Dong Guangyi, a retired neighborhood official, observed Zhao's problems and understood her situation and feelings. Dong helped Zhao to arrange funerals for her deceased family members and helped to take care of her. As a result of his kindness Dong managed to persuade the elderly woman that she should not resort to suicide.

Dong has also, in the past few years, recruited another 12 area families to help look after Zhao.

The 13 families decided to form a volunteers society in March last year. Their goal was to help each other, and especially to help those who had to go to work.

Dong Chunying, the director of the city's Xinxing Street Neighborhood Committee, led a group of people who conducted investigations involving over 7,000 families. The group found that there was a great need for families to help each other. For example, a family consisting of the elderly can help young couples look after their children, while at the same time the young people assist the elderly with physical labor.

Yu Shuhua, a retired woman who lives on Weijin Street in the city, has only one daughter and they had difficulty doing physical household work, such as carrying grain and honeycomb briquettes. At the same time, their neighbor Wang Xuedong and his wife sometimes worked night shifts and had no one to care for their four year-old child.

They helped each other after joining their streets volunteers society, and all their problems were solved.

Lou Hui, 77, a retired doctor and also a member of the volunteers society, has established sick beds for patients in the homes of 95 families, and provided treatment to over 30,000 patients in the past several years.

"I will not live much longer in this world" said Lou, "therefore, I want to work as much as possible for people during my life."

Li Ruihuan, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China and the former mayor of Tianjin, praised the founding of the volunteer societies.

"The people may face many difficulties in their lives, however, it is impossible for the government to solve all the problems. So the people should help each other and be concerned with each other," Li said.

Volunteer societies have now been founded in several Chinese cities and provinces.

Peng Chong, Others Mark Constitution Anniversary

OW0312131890 Beijing XINHUA in English
1257 GMT 3 Dec 90

[Text] Beijing, December 3 (XINHUA)—The eighth anniversary of the promulgation of the current Constitution was marked at a symposium held this morning in the Great Hall of the People.

Participants agreed the present Constitution is the most concrete, comprehensive and best-conceived of the four constitutions thus far presented.

Cao Zhi, deputy secretary general of the Standing Committee of the Chinese National People's Congress (NPC), said that the Constitution has provided the essential legal guarantee for the country's modernization, the promotion of democracy and the building of legal system, and economic and political restructuring.

"Practice over the past eight years has proved that the Constitution, a law with Chinese characteristics, has well reflected the emphasis on economic construction and adherence to the socialist road, the people's democratic dictatorship, the leadership by the Communist Party and Marxism-Leninism and Mao Zedong Thought," Cao added.

The present Constitution was passed at the Fifth Plenary Session of the Fifth National People's Congress which was held in December of 1982. Since that time it has been amended only once.

China's first constitution was written in 1954, the second in 1975 and the third in 1978.

It is learned that the NPC, along with its Standing Committee, has formulated 92 laws, and the State Council has drafted more than 500 sets of regulations, in the past eight years to implement the Constitution.

Peng Chong and Wang Hanbin, vice-chairmen of the NPC Standing Committee, together with over 100 law experts and officials from relevant departments, attended the symposium.

More on Ding Appointment as United Front Head

OW3011192490 Beijing XINHUA in English
1301 GMT 30 Nov 90

[Text] Beijing, November 30 (XINHUA)—The Central Committee of the Communist Party of China (CPC) recently decided to concurrently appoint Ding Guangen as head of the United Front Work Department of the CPC Central Committee in place of Yan Mingfu.

Ding, who was born in September 1929, in Wuxi City, Jiangsu Province, joined the Chinese Communist Party in July 1956.

Ding graduated from the transportation department of Jiaotong University, Shanghai, in August 1951 and his first job after graduation was that of a trainee in the

ocean shipping bureau of the Ministry of Communications. He later held jobs as a technical staff, engineer in the transportation bureau and freighter transportation bureau, as an engineer in the general transportation bureau, and as a secretary in the minister's office of the Ministry of Railways.

After 1975, Ding worked as engineer and deputy section head of the foreign affairs bureau, as an assistant to the director of the planning bureau, and as a director of the education bureau of the Ministry of Railways.

After 1983, Ding served as deputy secretary-general of the Standing Committee of the National People's Congress.

Ding later received successive appointments as the minister of railways, the vice-minister of the State Planning Commission, and as the director of the Taiwan Affairs Office of the State Council.

He was elected to serve as a member of the 12th and 13th CPC Central Committee.

Ding was also elected to serve as an alternate member of the Political Bureau of the CPC Central Committee at the First Plenary Session of the 13th CPC Central Committee, and as a member of the Secretariat of the CPC Central Committee at the fourth plenary session.

Mao, Deng Book on Democratic Centralism Published

HK0212061690 Beijing XINHUA Domestic Service
in Chinese 0125 GMT 2 Dec 90

[Report: "Book 'Mao Zedong and Deng Xiaoping on the Party's Democratic Centralism' Published"—XINHUA headline]

[Text] Beijing, 2 Dec (XINHUA)—The book "Mao Zedong and Deng Xiaoping on the Party's Democratic Centralism," compiled by the Investigation and Studies Section of the CPC Central Committee's General Office, has recently been published by the People's Publishing House.

The book includes 16 articles by Mao Zedong and Deng Xiaoping on the party's democratic centralism.

The publication of this book will be of great significance to consolidating party building and helping the broad ranks of party members and cadres comprehensively understand and thoroughly implement the "Decision of the CPC Central Committee on Strengthening the Party's Ties With the Masses" adopted by the Sixth Plenary Session of the 13th CPC Central Committee.

Article Outlines Teaching Marxist-Leninist Theory

HK0112040190 Beijing RENMIN RIBAO in Chinese
23 Nov 90 p 5

[Article by Tan Jingsong (6223 0513 2646), teacher in Marxist-Leninist Teaching Office of Hunan Province's

Yiyang Teachers' Training School: "Teaching of Marxist-Leninist Theoretical Course Must Stress the Sense of Contention"]

[Text] Opposing peaceful evolution is a strategic task of contemporary socialism. Turning the younger generation into reliable successors to the socialist cause is a project of vital and lasting importance for opposing peaceful evolution. The fundamental task of teaching the Marxist-Leninist theoretical course in institutions of higher learning is to help young students establish a scientific world outlook, a correct outlook on life, a firm conviction in socialism, and lofty communist ideals to train them to be builders and successors to the socialist cause. The Marxist-Leninist theoretical course in institutions of higher learning is placed on the forefront of opposing peaceful evolution and is shouldering a special mission. Therefore, the teaching of Marxist-Leninist theory must be imbued with a strong sense of contention.

To give a stronger sense of contention to the Marxist-Leninist theoretical course in opposing peaceful evolution, we must first of all, give prominence to education in socialist conviction with regard to the guiding ideology for teaching the course. An important means of the Western bourgeoisie in pursuing the strategy of peaceful evolution is to carry out ideological infiltration into socialist countries, shake the conviction of the younger generation in socialism, and "bring up a pro-Western younger generation." Those who advocated bourgeois liberalization at home collaborated from within with the Western bourgeoisie from without. On the one hand, they disseminated the bourgeois world outlook on life, values, and the capitalist economic and political models; on the other hand, they vilified the leadership of the Communist Party, exaggerated and played up certain problems existing in socialist countries, and painted a dark picture of socialism in order to shake the conviction of young students in socialism and lead them astray. Only by helping young students establish a firm conviction in socialism can we make them stand firm without becoming pessimistic and vacillating and firmly believe in the general historical trend of the replacement of capitalism by socialism at a time when the international communist movement is at a low ebb and when socialist construction and reform in their own country are faced with temporary difficulties and setbacks.

Young students' conviction in socialism is not formed spontaneously; instead, it relies on Marxist theoretical education and study. At present, the most urgent tasks are to carry out necessary checkup and adjustment with regard to the contents of the teaching materials for the Marxist-Leninist course published in recent years with education in socialist conviction as a main theme; to substantiate and replenish the contents of the Marxist-Leninist theoretical course of upholding the four cardinal principles and persisting in the education in socialist conviction; to expound to students the historical inevitability of the replacement of capitalism by socialism and the complicated and protracted nature of this historical process by truly integrating theory with

practice; to clear away the ideological confusion caused by "the theory of premature birth," "the theory of failure," "the theory of bankruptcy," and "the theory of crisis" of socialism; so that young students truly understand the profound truth that only socialism can save and develop China and thus firmly establish a firm conviction in taking the socialist road under the leadership of the Communist Party.

To give a stronger sense of contention in Marxist-Leninist theoretical course of opposing peaceful evolution, we must correctly handle, in the course of teaching, the relationship between imparting knowledge and conducting education in world outlook and methodology, and attach great importance to the class and revolutionary nature of the Marxist theory. In the past few years, the sense of contention in the Marxist-Leninist theoretical course for universities and colleges was seriously blunted. This was most obviously reflected by the fact that the Marxist-Leninist theoretical course was mixed up with other courses on general knowledge, and that stress was laid on knowledge impartation rather than on education in the stand, viewpoint, and methodology. Students took the course merely for the purpose of gaining credits and coping with examinations. They could memorize a lot of Marxist terms, concepts, and principles, but failed to master the Marxist stand, viewpoints, and methodology. Once encountering complex political struggles, they often failed to demarcate right from wrong. Some of them even became captives of the Western strategy of peaceful evolution. A profound lesson should be taken from this.

Marxism has a clear-cut class nature. Its predominant feature is that it is highly unified in its scientific and revolutionary nature. Therefore, we must strengthen the functions of the Marxist-Leninist theoretical course in political and ideological education, and in world outlook education. When giving this course, we should systematically impart to students basic knowledge and principles of Marxism and make efforts to enable them to comprehensively and accurately master the scientific system of Marxist theory, and, more importantly, provide them with education in the Marxist world outlook, life outlook, and values, and develop their capability in using the Marxist stand, viewpoints, and methods to analyze and solve problems. Only thus can the impregnable fortress be firmly built in the minds of the young students against peaceful evolution.

To give a stronger sense of contention to the Marxist-Leninist theoretical course in opposing peaceful evolution, we should also properly handle, in the course of teaching, the relationship between introduction and evaluation of the Western bourgeois theories, and that between the use of these theories for reference and their criticism, thus fully carrying forward the critical spirit and militancy of Marxism and firmly taking the initiative in the struggle against the ideological infiltration of the bourgeoisie. Under the circumstances of opening up to the outside world, it is inevitable that the Western bourgeois theories and doctrines will be propagated into

our country. We should never, however, adopt an attitude of pure objectivism and imbue students with Western bourgeois doctrines without selection and criticism. Doing this will only cause ideological confusion among young students who have not yet laid a solid Marxist theoretical foundation in their minds and have not yet completely fostered their proletarian world outlook and life outlook, and lead them astray. We draw a very profound lesson from this in the past few years. When teaching the Marxist-Leninist theory, we cannot and need not adopt the passive attitude of dodging or blockading the Western bourgeois theories and viewpoints; instead, we should boldly make contact with them and take the initiative in launching attacks on them. Marxism is highly scientific, and is fully capable of thoroughly refuting Western bourgeois theories and viewpoints in all forms. When teaching the Marxist-Leninist theory, we should take the initiative in selectively introducing to students some typical Western bourgeois theories and viewpoints. At the same time, we should help them master the critical weapon of Marxism and correctly apply the basic principles of Marxism to scientifically analyze, evaluate, and criticize the Western bourgeois theories and doctrines.

If Marxism fails to occupy the ideological position among young students, the bourgeois ideology will take advantage of the weak points. If we fail to help young students resist the influence of the bourgeois ideology, the bourgeoisie will use their ideology to attenuate and shake young students' conviction in socialism. The issue is so acute. Therefore, we must give a stronger sense of contention to the Marxist-Leninist theory course in institutions of higher learning.

Nonparty Members To Oversee Municipal Governments

HK3011024690 Beijing CHINA DAILY in English
30 Nov 90 p 3

[By staff reporter Chang Hong]

[Text] Twelve non-Communists from Beijing—including a newspaper editor—have joined the ranks of "guest supervisors" to keep an eye on municipal government functionaries.

Beijing Mayor Chen Xitong and Minister of Supervision Wei Jianxing yesterday issued certificates to this second group of "specially invited supervisors." The first group of 13—also non-Communists—were appointed a year ago to serve a two-year term.

With similar academic backgrounds, the second group of guest supervisors are mainly from institutions of higher learning, research institutes and medical institutions and are affiliated to the eight non-Communist parties.

For the first time, a senior editor with the Beijing-based Workers' Daily was recruited.

"I believe that we journalists can do a better job of helping the authorities fight corruption since we keep in touch with society more closely than people from other

professions do," said Hu Tianchun, the 59-year-old editor who has worked on the paper for 36 years.

"To join the supervisory departments in looking into corruption cases is a more challenging job than simply covering them or reporting them to the authorities," she said.

With a view to combining regular administrative supervision with public surveillance, the Ministry of Supervision initiated this practice last winter when they enlisted senior engineers and scholars to work as guest supervisors for the ministry.

Given similar powers as professional supervisory officials, guest supervisors can take part in investigations into corruption cases and serve as middlemen by forwarding complaints and allegations about official irregularities from the public to the supervisory office.

"I feel that we guest supervisors have earned the trust of the public who often come to us in the hope of solving all kinds of questions," said Liang Wenqian who was recruited last year.

Liang became popular after she and several other guest supervisors successfully solved a project construction dispute.

The number of guest supervisors now stands at more than 4,000 nationwide, according to the ministry.

Efforts To Help Poor Areas Achieve Good Results

OW2911222490 Beijing XINHUA Domestic Service
in Chinese 0546 GMT 28 Nov 90

[By reporter Wang Man (3769 3341)]

[Text] Beijing, 28 Nov (XINHUA)—Reform and opening to the outside world have provided extensive opportunities for improving the economy of the people in old revolutionary base areas, minority areas, border areas, and poverty-stricken areas. Following the rapid increase of the number of people who have extricated themselves from poverty the age-long phenomenon of destitution is vanishing.

Since the middle of the 1980's, the outlook of the poverty-stricken areas in our country has undergone tremendous changes under the direct leadership of the State Council and through strenuous efforts of the people nationwide for several years. Data provided by relevant departments reveal that in 1989 the population of poor people in the rural areas nationwide with an annual per capita net income of less than 200 yuan has decreased to 40 million from 110 million in 1985, with 70 million people rising above the poverty line. According to the current rate of development, it is estimated that at the end of this year, the whole country basically can fulfill the objective set forth by the State Council to solve the food and clothing problem of the majority of the people in the poverty-stricken areas during the Seventh Five-Year Plan period.

In the work of helping the poor, the change in the 331 poverty-stricken counties especially ear-marked for state assistance is most conspicuous with some of those poverty-stricken counties having entered the rank of prosperous counties. According to statistics, these counties (excluding the three poverty-stricken counties in Hanai province which are especially ear-marked for state assistance,) the per capita net income of the rural people rose from 206.59 yuan in 1985 to 321 yuan in 1989, an increase of 53.4 percent. After allowing for price rises, the actual net income increased by about five percent annually. Among those counties, the per capita net income of 103 counties exceeded 350 yuan, 16 counties exceeded 500 yuan, four counties exceeded 600 yuan, and that of Gansu's Baiyin area reached 1,013.6 yuan.

At present, stretches of poverty-stricken areas including those in Dabie Shan, Jinggang Shan, Yimeng Shan, and southwestern and northeastern Fujian have basically solved the problem of food and clothing and fulfilled the target set in the Seventh Five-Year Plan ahead of schedule.

The work of helping the development of poor areas in our country in recent years has reflected the attention and concern shown by the party Central Committee and the State Council to poverty-stricken areas, old revolutionary base areas, and minority areas and has been heartily supported by the broad masses of cadres and people and welcomed by various circles of the society as well as widely acclaimed by the international community. In its 1990 development report, the World Bank pointed out: As China has taken a series of effective measures in recent years rapidly to alleviate and resolve the poverty problem, it has now become a country with the lowest rate of poverty in Asia.

Poverty is gradually leaving us faraway, but we have not thoroughly extricated ourselves from it yet. A responsible person of the Office of the Leading Group for Economic Development in Poor Areas under the State Council told this reporter recently that although the work to help the poor in our country in recent years has achieved remarkable results, it does not mean that all the poor areas have plenty of food and clothing. In some localities the poverty problem is still quite serious and the difficulty of helping the poor is still very great. Therefore, it still calls for arduous efforts over a long period to change fundamentally the outlook of the poverty-stricken areas of our country and allow the entire Chinese people to lead a relatively well-to-do life.

QIUSHI Table of Contents No 23 Carried

HK0312033390 Beijing RENMIN RIBAO in Chinese
29 Nov 90 p 8

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Military

Party's 'Absolute Leadership' Over Army Stressed

OW0112081590 Beijing XINHUA in English
0801 GMT 1 Dec 90

[Text] Beijing, December 1 (XINHUA)—The Army's discipline inspection should make it the fundamental task to guarantee the Chinese Communist Party's absolute leadership over the Army, and the purity and consolidation of the party's organizations within the Army.

This was stressed by Yang Baibing, the secretary-general of the Central Military Commission and the director of the General Political Department of the PLA [People's Liberation Army], during the meeting of the Army's discipline inspection which was held in Beijing from November 26 to 30.

At present and for a long time to come, Yang said, the Army's central task is to maintain the political disciplines of the party organizations and members in the Army and guarantee that they remain united with the Central Committee of CPC.

Yang urged the discipline inspection units on all levels to struggle with the words and actions that negate the party's leadership and the socialist system. They need to insure that the party's lines, policies and principles are well carried out in the Army.

Meanwhile, he said, the Army should also pay more attention to the building of a good working style of the party which features honesty in work.

He said that the basic purpose of discipline inspection is to maintain the unity of the party and guarantee that the party's policies are successfully carried out.

For this reason, Yang said, discipline inspection should emphasize educating party members in order to improve their party-mindedness.

PLA Develops Simulated Training Equipment

*OW0212163890 Beijing XINHUA Domestic Service
in Chinese 0552 GMT 1 Dec 90*

[By XINHUA reporters Jin Ying (2516 7751) and Hu Nianqiu (5170 1628 4428)]

[Text] Beijing, 1 Dec (XINHUA)—The People's Liberation Army (PLA) is obtaining results in developing simulated training equipment. At present, the PLA has developed some 400 types of simulated training equipment and produced about 35,000 sets. Thus, they are forming on a preliminary basis a system supplementing major weaponry, and bringing about an increase in the standard of military training.

Developing simulated training equipment can save the cost of wear and tear to actual equipment, reduce maintenance expenses of equipment, carry out a more authentic training, and raise the quality of training. This mode of training is economical and scientific. Our Army started developing simulated training equipment back in 1985. Among the simulated equipment issued to troops for use, some are economical and cost-saving, easy to operate and highly practical; some employ advanced technology in sound, light, electricity, and computer science to achieve high authenticity, and some of the products are exported overseas. For the guided-missile units, the entire training process from igniting and firing until the missile finally drops to the ground all can be achieved on simulated training equipment. The air force has developed hundreds of pieces of simulated training equipment in recent years. Air units officially have incorporated training with simulated equipment into the main training program. Some of the simulated equipment of the navy's major training courses have reached the quality of international products in the same category. Simulated equipment for training of all units of the three armed services has a positive effect in resolving the conflict between the training mission and the lack of guarantee of weaponry and materials.

Simulated training equipment provides a guarantee for training courses which units and schools find difficult

conducting with actual equipment. It also shortens the training period and raises the quality of training. Since simulated training equipment was introduced in the armored unit, the training period for tank drivers has been cut in half. The level of difficulty and quality of training also have been raised considerably. Handling an aircraft emergency mid-air stop is an important course in airmen's training. Previously, training on this particular course was affected, as the flying lesson is extremely dangerous. This problem was solved by the successful completion of simulated training equipment. Training on vessel collision evasion on the open sea, which could not be conducted for many years, is now one of the navy's regular training courses with the use of simulated facilities.

The development of simulated training equipment has saved our armies training expenses and enabled them to be trained thriftily. By using simulated operating aircraft engines to train 1,000 students in the air force's two aviation schools, actual plane flights were reduced, saving 300 tonnes of aviation gasoline and 300,000 yuan in wear and tear each year. Since the navy started using simulated bombs for training in attacking submarine from the surface, it has saved about 800,000 yuan alone in ammunition costs every year.

Economic & Agricultural

Li Peng Reports to Planning Conference 1 Dec

*OW0212063390 Beijing XINHUA Domestic Service
in Chinese 1527 GMT 1 Dec 90*

[By XINHUA reporter Xu Yaozhong (1776 5069 0022) and RENMIN RIBAO reporters Jiang Shaogao (3068 4801 7559) and Wu Changsheng (0702 7022 3932); from the Local Broadcast News Service]

[Text] Beijing, 1 Dec (XINHUA)—A national planning conference convened by the State Council closed in Beijing today. State Council Premier Li Peng attended and made an important speech at the conference. Li Peng said: Next year we should focus our efforts on readjusting the economic structure and improving the economic efficiency while maintaining an appropriate growth of economy. We should make further efforts to improve the industrial structure, product mix, enterprise organizational structure, technological structure, and regional structure and strive for solid progress in this regard. Great efforts should be made to improve economic efficiency in particular. We should grasp this key link in overcoming the current economic difficulties and developing the economy for a long time to come.

Leading comrades who were present at the conference today were Tian Jiyun, Wu Xueqian, Li Tieying, Wang Bingqian, Zou Jiahua, and Li Guixian. The national planning conference began on 25 November. At the opening, Zou Jiahua, state councillor and concurrently minister in charge of the State Planning Committee,

made a report, entitled "Continue To Promote Economic Improvement and Rectification and Deepen Reforms, and Make Appropriate Arrangements for the 1991 Plan for National Economic and Social Development." The conference was attended by principal responsible comrades of governments in charge of economic and planning work and responsible comrades of planning commissions (planning and economic commissions) in all provinces, autonomous regions, municipalities, and cities with independent economic decision-making powers, as well as officials of the State Council relevant departments.

Premier Li Peng discussed the following 10 issues at the closing of the conference today:

1. How To Appraise the Current Economic Situation

To analyze correctly the current economic situation, first of all, we must affirm fully the enormous successes achieved in reform and opening to the outside world during the past decade. Since the beginning of the 1980's following the convening of the Third Plenary Session of the 11th CPC Central Committee, we have created in all fields a new situation of building socialism with Chinese characteristics. Social production has grown by leaps and bounds; the combined national strength has become noticeably stronger; scientific, technological, educational, and cultural undertakings have developed rapidly; and the people's livelihood improved conspicuously. These successes are the mainstream of China's economic and social development in the past decade. Problems also cropped up, however, in the course of progress, including mainly an overheated economy and growth of investment and consumption incommensurable with our national capabilities, thus causing serious inflation and affecting economic and social stability. In future work, we should always bear this in mind and earnestly solve the problems.

The economic improvement and rectification drive, which started more than two years ago, has produced marked results. The economic situation as a whole is now developing in a favorable direction. During the past two years, we effectively have controlled the rapidly escalating inflation while maintaining a suitable economic growth. This is no easy task and is a result of joint efforts by all localities and departments and the Chinese people of all nationalities.

Meanwhile, we should recognize that the economic improvement and rectification drive has yet to be completed, and the tasks remain rather arduous. The Fifth Plenary Session of the 13th CPC Central Committee set six targets to be achieved by the economic improvement and rectification drive. They are, namely, gradually lowering the inflation rate, reversing the situation in which the issuance of currency exceeds the economic growth rate, striving for a balance between revenue and expenditure, maintaining an appropriate economic growth rate on the basis of raising economic efficiency,

changing the irrational industrial structure, and gradually establishing a macroeconomic regulation and control system. The plenary session also called for completing the task of economic improvement and rectification within three years or a longer time. It now seems that marked progress has been made in some of the six areas, while progress in other areas is insignificant, as the work has just been started. Therefore, we should not slacken efforts, but should continue to take a firm and effective grasp of the economic improvement and rectification drive.

The principal economic problems today are as follows: (1) uneven development between market sales and pickup of industrial production; (2) sluggish progress in structural readjustments even though certain success has been achieved; and (3) widespread decline of economic efficiency, growing capital losses, and financial difficulties among enterprises. The causes of these problems are many. We must know, however, that they have a great deal to do with the cadres' mental attitude and work performance. In the face of difficulties, whether they blame everyone and everything but themselves, attempt nothing and accomplish nothing, or bestir themselves and lead the masses in actively finding ways to overcome difficulties; and whether they are sitting back waiting for improvement of external conditions, or turn their attention to internal management and keep opening up new avenues and forging ahead. The two different mental attitudes and working methods will yield entirely different results.

Generally speaking, the task of improving the economic environment and rectifying the economic order in the preceding stage was mainly intended to reduce excessive social demand, cool the overheated economy, and curb inflation. In this regard, the task has basically achieved the expected results, although there still exist some problems and the success is not yet stable enough. In the next stage, it is necessary for the work to emphasize readjusting the structure and enhancing economic efficiency, particularly the economic efficiency of enterprises, and strive to effect sustained, stable, and coordinated national economic development step by step, while continuing to persist in and improve overall economic control.

2. Major Principles for Next Year's Economic Work

Since the beginning of this year, the State Council has made great efforts to organize the research and formulation of the 10-year plan and the Eighth Five-Year Plan. Both the 10-year plan and the Eighth Five-Year Plan are pending discussion at a central plenum. In the fundamental principles for these plans, there are three very important points.

First, we should achieve the second-stage strategic goal of our socialist modernization; in the next decade, we should maintain a sustained, stable, and coordinated

national economic development while improving economic quality and efficiency and relying on scientific and technological progress.

Second, we will continue to implement the policy of reform and opening to the outside world, thus improving it and making it more effective. The main orientation is to integrate effectively the planned economy with market regulation in accordance with requirements for the development of a planned commodity economy and to bring into full play the advantages and strong points of the two.

Third, we will place scientific-technological and educational work in a prominent position and attach importance to the development of agriculture, energy resource industry, transport and telecommunications, important raw and semifinished materials industry, and other basic industries, and to the construction of infrastructural facilities, so that national economic development will stand on a more solid foundation and so that there will be capacity for further economic development in the next 10 or even 20 years.

The aforementioned three points are also important principles for drawing up next year's economic plan. In next year's economic work, it is necessary to handle well the relationship between the task of improving the economic environment and rectifying the economic order and the Eighth Five-Year Plan. In arranging next year's work, stress should continue to be put on the task of improving the economic environment and rectifying the economic order, while beginning to implement the Eighth Five-Year Development Plan. We should seek development in the course of improving the economic environment and rectifying the economic order. In the future, after the task of improving the economic environment and rectifying the economic order is in the main accomplished, we should shift the stress of work to development while finishing up the remaining part of the task of economic rectification. There are many favorable conditions for next year's economic development. Bumper agricultural harvests, accelerating in industrial production, and particularly the steady growth in production of energy and raw and semifinished materials this year have provided a better material basis. Policies and measures successively started this year to readjust retrenchment strength and structure will continue to play a positive role. Of course, there are also some restricting factors. The major ones are that the situation of weak market sales and impeded economic circulation has not yet been thoroughly improved and that after two consecutive years of good harvests, we can only estimate that next year's harvest will be average, since our agriculture's success depends on the weather to a great extent. In overall consideration of various favorable conditions and unfavorable factors, we must make the next year's plan vigorous and safe and leave some margin in it. Various localities should properly draw up their plans in consideration of their realities. The State Council has decided to launch a nationwide "quality,

variety and benefit year" campaign next year. All localities and all departments should set clear and definite targets and formulate feasible measures to unfold the campaign in a vigorous and down-to-earth way, so that remarkable improvement will be made in all major economic and technological indexes after one year of efforts.

3. On the Scale of Investment in Fixed Assets and Stepping Up the Construction of Key Projects

In planning the scale of investment in fixed assets for the society next year, we should consider both how to open up the market and set it in motion and how to exercise overall economic control. We must prevent a recurrence of great upsurge in capital construction which will expand the scope of construction beyond our country's capability. At present, it is impossible to satisfy all departments with respect to construction projects that they want to build. Even though various localities and departments have been authorized this time to make certain amount of investment in some projects, they should start fewer projects if they do not have financial guarantees. They must not exceed the state credit investment limit nor should they compel banks to increase loans.

Next year, while controlling the size of total investment, it is necessary to continue to make rational readjustment of investment structure, seriously step up the construction of key projects and the technological transformation of major facilities, and give proper priority to building agricultural, energy source, and transport and telecommunications projects. In major construction next year, higher priority should be given to continuing building the projects under construction which have an important bearing on national economy and promise good economic returns, and to building relevant supportive projects, while new construction projects must be kept under strict control. If the funds and other conditions for building a project are not ensured, the construction process should be slowed down. In planning any construction project, the building cost, interest, exchange rate changes, and other variables should be factored in, and the investment (including the circulating funds required after the project is put into operation) should be fully estimated so that it will not require additional budget. We would rather build less in order to stress investment efficiency, and this is an important guiding principle. At the same time, control over the construction of office buildings, meeting halls and guesthouses should be continued, not relaxed, next year.

4. Continue To Strengthen and Develop Agriculture

The rural economic situation is very good this year. A bumper grain harvest has been gathered, and the outputs of cotton, oil-bearing crops, and other major agricultural and sideline products have increased by quite a large margin. This has played an important role in promoting stability in rural areas and stability in the situation of the whole country. Good agricultural harvests in the last two

years were due first to the fact that both central authorities and local governments had adopted measures to strengthen agriculture and further aroused enthusiasm among peasants. Meanwhile, the good harvests were, to a great extent, also due to good weather for the crops. We should see that the foundation of China's agriculture is still quite fragile. Our ability to resist natural disasters is poor, our capability in comprehensive agricultural production is limited, and any major natural disaster will cause a drop in production. For this reason, we must continue to strengthen agriculture and always persist in putting agriculture in the first place of our economic work.

We should stimulate further the peasants' enthusiasm for agricultural production, and particularly those peasants engaged in growing grain in grain production areas. Our country reaped bumper harvests this year. In many areas, however, peasants face a difficulties in selling grain. The state has decided to establish a special grain reserve system to procure peasants' surplus grain at guaranteed prices. The work of setting up such a system has great significance because it protects peasants' interests, increases the state's strategic material reserve, invigorates the market, and reduces grain imports appropriately.

The development of agriculture, generally speaking, relies on policies, science and technology, and investment in that order. The household contracted responsibility system, which suits the rural productivity level in the majority of areas at the present stage and enjoys the support of the majority of peasants, should continue to be carried out. The major emphasis in deepening reforms in the rural areas in the future will be on actively developing a socialized services system, improving and perfecting the dual management system which combines unified leadership with a separation of management at different levels, and stressing the increase in the power of the collective economy. These will have not only great economic significance, but also will play a great role in consolidating the power base in rural areas.

Both the central government and local governments should increase agricultural investment and improve conditions for farming production. The state will increase continuously agricultural investment and loans to rural areas next year. Various levels of local governments likewise should do their best to increase agricultural investment and loans to rural areas. Of course, the peasants themselves should be the main providers of agricultural investment. We should encourage and guide peasants to increase agricultural investment and labor accumulation. Irrigation works are the lifeblood of agriculture; thus, we should step up the management over rivers and the construction of irrigation facilities. In building irrigation works, we should strive primarily to increase irrigated and semi-irrigated land and do a good job in managing terraced fields and small drainage areas, which are main ways in which to increase per-unit

yield. Water-saving type agriculture and high-output dry crops should be developed and promoted in areas where water resources are scarce.

We should do a good job constantly in relying on science and technology to raise agricultural production, strive to raise the multiple crop index, stress the use of excellent strains, and promote advanced tilling methods and growing technique. Stress also should be placed on the scientific application of fertilizers to ensure the rational proportion of nitrogenous, phosphate, and potash fertilizers. We also should advocate a greater use of farm manure.

Developing agriculture has a close relationship with helping impoverished areas shake off poverty. In helping poor regions shed poverty, we should, instead of merely providing relief funds, help them develop the economy. A key industry for development should be selected according to conditions of the local natural resources and help them better develop their economies.

5. On Deepening Enterprise Reforms and Raising Economic Benefits in Enterprises

Enterprises are the cells of the national economy. Doing a good job in enterprise reform, increasing vitality in enterprises, and perfecting the self-restraining mechanism within enterprises concern the deepening of the whole reform as well as the stability and development of the whole economy. Enterprise reforms have scored great results in the last decade and the vitality of enterprises has been strengthened constantly. There also are some experiences and lessons, however, of many enterprises which still lack a self-restraining mechanism and of enterprises whose economic performances have not seen quick improvement. Therefore, it is necessary to raise economic performance through enterprise reforms.

Enterprise reforms in the next year will stick primarily with the improvement of the contracted management responsibility system.

At present, the contract system is suited for the vast majority of enterprises. Therefore, we should maintain a relative stability in next year's enterprise reforms while improving them appropriately. What is important is that we should handle well the relationship of the interests of the state, collectives, and individuals, as well as the relationship between accumulation and consumption. We should put more investment funds in the areas of technological transformation and promoting enterprise development. As for the reform in separating profits and taxes, we should continuously carry out the trial reforms in selective cities, industries, and enterprises. Most enterprises will still have to adopt the present contract system but with some necessary complement and improvement so as to increase the self-restraining mechanism in enterprises. In areas where conditions permit, the practice of optimum reorganization of labor should be continuously promoted and a corresponding social security system also should be established.

We should continue to protect the power of enterprises to independently arrange production and run enterprises and persist in improving the responsibility of plant directors. We should not only strengthen the unified commanding power of plant directors in carrying out production and management work, but also facilitate party organization in enterprises to strengthen the leadership over ideological and political work there. At a time when enterprises are facing many difficulties in their production and management, party and government organizations in enterprises should stress particularly party spirit, take the overall situation into consideration, emphasize party style, support each other, and unite and cooperate.

We should support and encourage the development of enterprise groups, but this project should proceed in a planned manner under the centralized leadership of governments and relevant departments at all levels. These enterprise groups can either be organized tightly or loosely. While developing various types of enterprise groups, we should encourage the establishment of tightly organized groups so that they can produce even greater economic results.

We should especially emphasize here that the objective of reinvigorating enterprises should be that of improving enterprises' economic performance. To this end, our enterprises should tap their own potential and not keep asking the state to give up authority and concede profits. All enterprises must concentrate their efforts on improving product quality, developing new products, and achieving better performance. To achieve better results, the key is to improve management on the one hand and upgrade technology on the other. Next year, all trades and professions must make great efforts to place more emphasis on all types of basic tasks, tighten control, and strive to improve their management. Earnest efforts must be made to eliminate losses and increase profits.

6. On Price Level and Price Reform

Next year, we must strictly control the rise in the total retail commodity price index. The experiences we have gained in the past several years show that price reform must uphold three principles: First, the total price level must be strictly controlled. Second, the time for making price readjustments must be proper. Third, decisions must be made carefully in accordance with the development of the economic situation. The price readjustment measures included in next year's plan should be considered according to the way the plan is implemented. Price readjustments in local areas often have a direct bearing on the people's livelihood so that these readjustments must be strictly handled. Price reform is an important part of economic reform as a whole and its objective is to expedite production development. Whether a reform measure or step is successful should be judged by whether it can promote social stability and economic development.

7. On Financial Issues

To deal with imbalance between revenues and expenditures, we can depend only on increasing the sources of income and reducing expenditures. First of all, we should do everything possible to develop the economy, achieve better performance, increase output, and increase revenues. This is the fundamental solution. Meanwhile, distribution must be more rational on this basis. The congress this year has already approved the proposal of raising commercial retailers' business tax, and the raise will be introduced at an appropriate time next year according to the situation.

Individually and privately operated economies are an essential and beneficial supplement to the public-owned economy, and they play a positive role in enlivening circulation, increasing job opportunities, providing what the people need, and increasing state revenues. The policies governing the individually and privately owned economies should be preserved, but the management must be strengthened.

8. On Monetary Issues

The current monetary situation is, on the whole, satisfactory. This year, savings deposits made by urban and rural residents continue to increase, and the size of loans is bigger. This is primarily because our banks have increased loans for the working capital needed for supporting industrial production, and because they have increased the special reserve funds for purchasing grain, cotton, and oil-bearing crops. These are essential for maintaining economic development and stability. On the whole, the monetary situation has been stable. This is an important guarantee for ensuring basic price stability. We should acknowledge the great deal of work done by the People's Bank and all specialized banks in this regard. Implementing the Central Government's policy of tightening the credit, it was necessary for these banks to tighten their capital control in the past two years. This year, these banks have made great efforts to readjust the tension and have time and again increased the amounts of credit funds. We all should understand the problems confronting our banks. Our banks should also continue to improve their operation, uphold the principle of serving production and construction, and improve the quality of their work and services.

Banking operation is an important means the state uses to make macroscopic regulation and control and this operation can only be strengthened and not weakened. In fact, such an operation should also be even more flexible and more in line with economic law. China is a unified country and so it should have a unified economy and a unified market. Imposing regional barriers is a measure to protect backwardness, and this measure not only obstructs normal commodity circulation, but also is unfavorable for the economic development for those areas which impose the barriers. Some provinces have

now taken the initiative to remove these barriers. Commodity circulation should be conducted on a nationwide scale, and so should capital circulation.

9. On Opening Wider to the Outside World and Restructuring the Foreign Trade System

We must continue to carry out the basic national policy of opening to the outside world and actively make use of all favorable international factors for our economic readjustments and economic development. First of all, we must do everything possible to ensure a steady export growth and strive to fulfill next year's export quotas. We should give priority to improving the mix and quality of our export goods. Efforts should be made to increase foreign exchange earnings by improving the quality of export goods, lower the cost of export commodities, and streamline the foreign trade management so as to achieve better economic performance. Meanwhile, we should rationally adjust the mix of import goods and continue to import an appropriate amount of foreign goods.

We should continue to implement the strategy for economic development in coastal areas, and make efforts to develop an export-oriented economy. Facts show that our policy of establishing special economic zones and economic and technical development zones and opening some coastal cities and areas to the outside world is a correct policy, and it has achieved remarkable results. These zones have played important roles of being windows and bases for developing foreign trade, bringing in foreign capital and technology, and expanding international cooperation and exchange. We should continue to implement and improve the effective policies and flexible measures so that the special economic zones can be operated even more successfully. We should consolidate and develop the existing technical development zones, open cities, and open belts so that they can play an even more important role in carrying out the policy of opening to the outside world. Our special economic zones' responsibility from now on is to make efforts to upgrade their technology, bring in and develop more advanced technology—and even high and new technology, continue to develop technology-intensive industries, and expand the export-oriented economy. This year, the CPC Central Committee and the State Council have decided to develop and open the new Pudong District in Shanghai, aimed at drawing up a long-term strategy for China's economic development. This is significant for giving full scope to the economic resources and the scientific and technological prowess of Shanghai and the hinterland along the Chang Jiang, and for expediting the economic growth in these areas.

The restructuring of the foreign trade system must go on. According to the principles conducive to arousing the initiatives of central and local authorities and enterprises and the principle of opening wider to the outside world more effectively, we should gradually charge our foreign trade enterprises to be responsible for their own profits and losses.

10. Place Even Greater Emphasis on Science, Technology, and Education

Revitalizing our economy through science and technology on the basis of developing education is our firm policy. We should continue to adhere to the correct guidelines for education; give top priority to moral education; and educate our students on patriotism, collectivism, and socialism so as to turn them into morally, intellectually, and physically sound personnel who will serve socialist construction. To turn science and technology into productive forces quickly, we should attach importance to the dissemination and application of scientific and technological results. Scientific and technological work must be geared to the need of economic construction, which is main theater for scientific and technological development. We should do a good job in brainstorming major scientific and technological problems relevant to our national economic and social development. At the same time, we should intensify basic research. We should continue to draw up policies essential for supporting the establishment of zones for high technology development and scientific and technological development.

Comrade Li Peng concluded: Next year will be an important year for pushing economic readjustments forward and deepening reforms, and the first year of the Eighth Five-Year Plan. Despite the many difficulties, it is increasingly clear that the prospects for China's economic development are bright. Since the establishment of the new CPC Central Committee—the new leadership collective with Comrade Jiang Zemin as the core, it has been persistently following the basic line of focusing on economic construction, upholding the four cardinal principles, carrying out reforms and opening to the outside world. Despite changeable international climate, internal difficulties, and external pressure, it has led people of all nationalities in the country to withstand tests, thus maintaining our country's political, social, and economic stability. The significant successes we have achieved on the diplomatic front, the breaking of the sanctions that the West has imposed on us, and the increasing number of friends we have made have facilitated our economic construction at home. Facts show that we are fully capable of dealing with complex and changeable situations. As long as we continue to adhere to the basic party line, uphold our independent foreign policy, persist in making economic readjustments and deepening reforms, be more confident with our capability of surmounting difficulties, be aware of the bright future, rally more closely, strive to press forward, and do our work cautiously, our national economy certainly will develop in a sustained, steady, and coordinated manner, and we will achieve even greater success in our national economic development in the new year.

Plenary Session To Open 25 Dec, Focus on Economy

HK0312064890 Hong Kong TA KUNG PAO in Chinese
3 Dec 90 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3769): "The Focal Points of China's Economic Work"]

[Text] At the time when there is only one last month left for 1990, Beijing released news, looking into the coming year's economic work and disclosing the date of the eye-catching Seventh Plenary Session of the 13th CPC Central Committee, that is, 25 December. As a result, the Eighth Five-Year Plan will finally be presented in a rush one week before its implementation.

The Blueprint for Short, Medium, and Long-Term Development

The economic problems of the coming year were put forth by Premier Li Peng in his long speech delivered at the National Planning Conference. The seven-day National Planning Conference was focused on drafting China's Eighth Five-Year Plan. The conference concluded on Saturday. It is believed that the Eighth Five-Year Plan has been finalized and it will be submitted to the seventh plenary session to be held on 25 December for deliberation and to the National People's Congress [NPC] held next year for examination and approval.

The responsible persons of all ministries, provinces, municipalities, and autonomous regions attended the National Planning Conference. Apart from studying the economy of the coming year and the next five years, the planning conference and the upcoming Seventh Plenary Session will also study the 10-year development plan and design the short, medium, and long-term developmental blueprint for China to step into the 21st century.

Li Peng discussed 10 points concerning next year's economic work, which were focused on the following four aspects: Strive to attain better economic results, readjust the economic structure, enhance agricultural development, and rapidly boost the market.

Efforts in Agriculture Should Never Be Slackened

Li Peng pointed out the three main problems in current economic work: First, the imbalance in market sales and industrial recovery; second, although successes have been made in structural readjustment, the progress is relatively slow; third, enterprise efficiency has dropped and deficits have increased, adding difficulties to finance. The focus on four aspects was proposed in view of these three major problems.

It is estimated that the bumper agricultural harvests reaped this year will exceed the record figure of 1984. This constitutes an essential factor for China to remain stable amid the changing world situation. "Agriculture is the foundation of the country." The setbacks in economic development over the past decade were mainly due to the slackened efforts in agriculture at the later stage. Only when the 800 million Chinese peasants have become affluent can we have a solid foundation for political and economic stability.

China made marked progress in economic improvement and rectification and checked the serious inflation over the past year. The negative growth in industry has recently started to recover from the low ebb. It is

estimated that a six percent growth can still be maintained in this year's industrial output value. However, no improvement has been made in the slumping market arising therefrom and no achievements have been scored in seeking a sustained, steady, and coordinated economic development, readjusting the industrial setup, and attaining better economic results. All this involves fundamental structural reforms, of which successes cannot be achieved without long-term efforts. To attain the goal, it is necessary to rely on the following two points: First, continue to implement the policy of reform and opening up, of which the main direction is to effectively combine a planned economy with market regulation and make the most of the advantages of both; second, put science, technology, and education in the first place and attach importance to the application of the scientific and technological achievements.

Both Internal and External Environment Has Improved

While tiding over domestic difficulties, China's external environment has also improved markedly. Western countries have lifted their economic sanctions. The Asian Development Bank has resumed granting of loans to China and the World Bank will also do so soon. China's diplomatic relations with Western Europe and the United States have step by step returned to normal and the surrounding environment has improved. All this has offered favorable conditions for China to further promote reform and open wider to the outside world. Although the turbulent Gulf crisis has emerged in the world, there will be more competition in the future in the field of economy and technology. China's developmental blueprint is precisely designed for such competition.

Jiang Said Upholding Deng's Economic Reforms

HK0312144090 Hong Kong SOUTH CHINA
MORNING POST in English 3 Dec 90 p 13

[By Willy Wo-lap Lam]

[Text] Communist Party chief Mr Jiang Zemin has staked a claim to being the leader of the party's liberal wing by lobbying hard for the continuation of Mr Deng Xiaoping's economic reform.

In a recent internal speech, Mr Jiang underscored the importance of the synthesis of central planning and market forces, and warned that Beijing's policy of giving preferential treatment to the special economic zones (SEZs) must not change.

Mr Jiang, the former party boss of Shanghai who was handpicked by Mr Deng as party General Secretary after the Tiananmen Square crackdown, also pointed out that economic work must only be pursued by economic means.

"China's goal of reform and opening to the outside world cannot change", Mr Jiang said. "The synthesis of economic planning and market adjustments cannot change, nor can the policy toward the SEZs."

According to the just-published issue of the China-watching journal *ECONOMIC REPORTER*, Mr Jiang also instructed Mr Chen Jinhua, the newly appointed head of the State Commission for the Reform of the Economic Structure (SCREC) that "the first major task" he should take up was the combination of planning and market forces.

"We should focus on this main theme and deepen it year after year", Mr Jiang reportedly told Mr Chen.

On another occasion, Mr Jiang pointed out that "economic work must be pursued through economic means as the era when everything depends on orders from the central Government should be over".

Analysts say Mr Jiang's statements reflect a talk given by Mr Deng in late October, in which the patriarch said that the key to economic policy was "the organic combination of planning and market mechanisms".

Moreover, the party boss seems to be serving a warning on central planning-oriented cadres, including Prime Minister Mr Li Peng and State Planning Chief Mr Zou Jiahua, that they should not put excessive stress on running the economy by fiat.

On numerous occasions, Mr Li and Mr Zou have pointed out that the main thrust of the Eighth Five Year Plan would be to accentuate "macro-level controls".

Chinese sources [say] that Mr Jiang and Mr Li have also clashed on the policy toward the SEZs, seen as a major legacy of Mr Deng.

Mr Deng and Mr Jiang have stressed that the preeminent status of the zones must be maintained.

However, in recent statements, Mr Li has noted that Beijing would adopt a "product-based" rather than a "territorial-based" preferential policy, and that only Shanghai would enjoy tax and other privileges more superior to other coastal cities.

Western diplomats say while Mr Deng Xiaoping has designated Mr Jiang his successor, his position as "first among equals" in the party's top echelons has been challenged by strong contenders such as Prime Minister Li and Mr Deng Liqun.

State Council's Yuan Mu Addresses Situation

*OW0112115690 Beijing RENMIN RIBAO in Chinese
1 Dec pp 1-2*

[*"Yuan Mu Answers Indian Reporter's Questions on Issues of China's Economic Construction"*]

[Text] State Council spokesman Yuan Mu answered Indian reporters' questions about China's economic construction during a recent interview in Beijing with an Indian press delegation led by Joshi, chief of the Delhi bureau of the newspaper "NAI DUNIA." Excerpts of the interview are as follows:

Question: It is said that China has been backing away from its economic liberalization program since the events of 4 June last year. To what extent is this true?

Answer: Since both before and after the events of 4 June last year, our leaders have repeatedly and openly announced that China's policy of reform and opening to the outside world will remain unchanged for a long time. It is not changing now, and it will not change in the future. We will only deepen the reform and open even wider to the outside world. There is no question at all about backing away from the policy of reform and opening to the outside world, a policy designed to promote the development of productive forces and perfect the socialist system. On China's reform and opening to the outside world, some Western media often hold that China must adopt a private and market economy and practice political pluralism, otherwise reform would be out of the question. So, they always think that since the events of 4 June, China has been "backing" away from reform as understood by them. This is their criterion for viewing things and the situation. We have no intention of and are unable to change their views; however, we have our own realities. Neither the Communist Party of China nor the Chinese Government has ever put forward the so-called liberalization program which is admired by some Westerners. Therefore, the question of backing away from a so-called liberalization program does not exist either.

Question: State-owned enterprises in China usually do not operate as well as private enterprises and joint ventures. Why don't you let private bidders take over those state-owned enterprises?

Answer: Regarding ownership, China in the present stage is pursuing a policy of stressing socialist public economy while permitting and encouraging proper development of other economic sectors, including individual and private economy. In order to open even to the outside world and attract more foreign investors, we have formulated, according to law, more preferential and favorable terms for joint ventures, cooperative enterprises, and wholly foreign-owned enterprises. In such a situation, rapid development has been made in individual and private economy and in joint ventures, cooperative enterprises, and wholly foreign-owned enterprises. This is conducive to our overall economic prosperity. Although state-owned enterprises currently are relatively less vigorous, they are now the main body and foundation of China's socialist economy and the major source of our state revenues and will remain so in the future. While continuing to encourage proper development of individual and private economy and joint ventures and giving play to their role as a useful supplement to the socialist public economy, we will adopt necessary policies and measures to improve the operational environment of state-owned enterprises. In the course of deepening reform, we will stress improving the operating mechanism of state-owned enterprises and enhancing their vigor and strength. We will definitely not adopt a policy of privatizing state-owned enterprises.

Question: How do you plan to narrow the gap in the standard of living for people residing in small towns and rural areas?

Answer: First of all, I would like to provide you with some figures on this matter. Between 1978 and 1989 the net income of Chinese peasants rose from 133.60 yuan per capita to 601.50 yuan. After making adjustment for price hikes, the increase was 205.7 percent in 10 years. In the same period, living expenses for urban residents rose from 316 yuan per capita to 1,261 yuan. After making adjustments for price increases, the increase was 81.8 percent. As shown by these figures, the peasantry have enjoyed a faster increase in income than the urban population during the last 10 years. The ratio between the incomes of peasants and urban residents was 1:2.37 in 1978, and 1:2.1 in 1989. This gap has closed somewhat, primarily because the diversification of operation and development of rural enterprises has helped to boost the incomes of peasants. We will continue to execute these policies in the future. In China, efforts to close the gap in incomes between the urban and rural population can only be carried out gradually. It will not be done too quickly, and the process will take quite some time.

Question: According to reports, since June of last year the number of foreign investors coming to China has fallen. What measures do you intend to take to reverse this situation?

Answer: Some of the reports about China by outsiders are quite often untrue. Some of them even deliberately distort the facts. The data and situation that I know of indicate that, after "4 June" the so-called sanctions imposed by Western nations did have a certain impact on China's utilization of foreign capital, but that was not very serious. Between June of last year and October of this year, China attracted 8,917 new foreign investment projects worth \$15.64 billion with \$14.78 billion actually committed. Between January and September of this year, there were 4,931 new foreign investment projects valued at \$8.36 billion, with \$7.5 billion actually committed. It is forecast that the amount of foreign investment in 1990 will surpass that of 1989. Since Western countries have begun to relax their sanctions, it is estimated that the momentum of foreign investment in China will pick up because foreign business and financial circles feel that economic and trade transactions with China are profitable. As in the past, the Chinese Government and the localities will continue to improve the tangible and intangible environment for investment. China is a big country with a population of more than 1.1 billion people and has its strategic importance in Asia and the world. Its market is vast and possesses tremendous potential. Any attempt whatsoever to isolate China will not succeed.

Question: Is it because the peasantry occupies the dominant position in economic life that China, both in the past and present, has been different from other socialist countries?

Answer: Prior to liberation, China was a backward and big agricultural country. After liberation, the industries developed rapidly. The industrial output value in 1989 made up 77.1 percent of the total industrial and agricultural output value. But 800 million out of the 1.1 billion people in China are peasants, and remain the vast majority. Taking into consideration the state of affairs in China, the CPC and the Chinese Government fully understand that for any of their policies to succeed they must get the support of the peasantry first. The stable development of rural areas is the foundation for the stable development of the whole society. During the past 10 over years of reform and opening to the outside world, China's rural economy has expanded faster, the peasants' livelihood has markedly improved, and the vast majority of the peasantry in general are satisfied with the policies of the party and government. We will continue to implement and refine these policies. As long as nothing in this respect goes wrong, socialist modernization in China will receive the support of a decisive force and will basically be assured of success.

Question: In 1988 Shenzhen set up a joint-stock development bank which turned out to be a great success. Are there any other similar banks being formed?

Answer: According to what the People's Bank of China told me, China now has five joint-stock banks, namely, the Jiaotong Yinhang [Communications Bank], the Shenzhen Fazhan Yinhang [Shenzhen Development Bank], the Guangdong Fazhan Yinhang [Guangdong Development Bank], the Fujian Xingye Yinhang [Fujian Industrial Bank], and the Zhaoshang Yinhang. In addition to the People's Bank of China, which guides and controls banking activities nationwide, we also have four other specialized banks: the Industrial and Commercial Bank of China, the Agricultural Bank of China, the People's Construction Bank of China, and the Bank of China. They have branches nationwide and are China's principal banks. The five joint-stock banks just mentioned are all of an experimental nature in China. The result of these experiments shows that their formation is beneficial to China's banking; therefore, their operations are likely to develop further.

Question: To what extent has your economic restructuring infringed upon consumers' interests since October 1988?

Answer: China started to implement the policy of restructuring the economy and deepening the reform since the fourth quarter of 1988 was primarily because of the soaring inflation triggered by the overheated and excessive economic growth and by excessively high total demand during the preceding several years. The main purpose of the economic readjustments was to curtail inflation. Because of the adjustments carried out during the past two years or so, fairly noticeable results have been achieved. The index of price inflation was 18.5 percent in 1988, 17.8 percent in 1989, and has dropped to less than 3 percent during the January-October period this year. While inflation has been placed under control,

we have had bumper agricultural harvests two years in a row. The nation's industrial production, which had dropped sharply for a time, also has begun to pick up since March of this year. It is expected that this year's industrial growth will reach 6 percent. During the course of economic readjustments, the peasants' income rose from 544.9 yuan per capita in 1988 to 601.5 yuan per capita in 1989 and is expected to increase to about 630 yuan per capita this year. In cities and towns, living expenses rose from 1,119 yuan per capita in 1988 to 1,261 yuan in 1989. It is expected that they will reach to about 1,360 yuan per capita this year. These facts show that China's economic readjustments have basically protected the Chinese consumers' interests, rather than having infringed upon them.

Question: Does the Chinese Government consider it "an honor to become affluent"?

Answer: Ever since the convocation of the Third Plenary Session of the 11th CPC Central Committee, the Chinese Government has consistently been encouraging people to become affluent through hard work and operating legal businesses. According to law, we outlaw illegal incomes obtained through illegitimate operations; however, our work in this regard can hardly catch up with actual needs. As for excessive, but legitimate incomes, we impose regulatory individual income tax on them according to law; but there are still many loopholes in this area. Our policy is: While we oppose egalitarianism, we pay attention to guarding against any excessive differences in incomes. We also encourage those who have become affluent to assist those who have yet to become affluent so that people will become affluent together gradually. This is a basic policy of the Chinese Government on income distribution. Of course, people nowadays are quite resentful of the unfair distribution practices that have appeared in society, and we will continue to take necessary measures to deal with the problems, which I am afraid will take a long time.

Question: We often hear that China has failed to coordinate economic and political reform. Would you please comment on this?

Answer: We always maintain that reforms in China's socialist structure should proceed systematically in all areas—economical, political, scientific, technological, educational, and cultural. Relatively speaking, the reforms in China started first in the economic sphere and then proceeded to other areas along with the deepening of economic reforms. This has enabled people to reap some actual benefits during the course of reforms and encouraged them to be concerned with reforms, support reforms, and get involved in reforms. Meanwhile, this will also help reduce social shocks [she hui zhen dang 4357 2585 7201 5616]. Practically speaking, this may be a distinctive feature of the reforms in China and may also be a major reason why China has achieved noticeable results in its reforms. To keep pace with the needs in the ongoing economic reforms, the restructuring of the political system is essential; otherwise what has been

accomplished by economic reforms can hardly be consolidated and expanded. Not only have we come to realize this need, we have been doing this all along and will continue to do this in the future. During the course of doing actual work, there are still many things with which we are not satisfied. In particular, we must point out that while restructuring the political system, China will continue to improve those basic political systems which are compatible with China's situation—such as the people's congress system, the CPC-led multiparty cooperation, and political consultative system—so that they will become even more effective in promoting China's socialist democracy. By no means will we—or should we—copy the democratic system of the West, which is characterized by parties taking turns at ruling and by its parliamentary system.

Question: China now chooses to follow the path of achieving modernization through opening its doors to the outside world and revitalizing the economy. Will this cause China to deviate from the socialist objective that has been set?

Answer: We think a unity can be achieved between these two things, namely continuing to carry out reforms and opening to the outside world on the one hand and following the socialist course on the other. Economic ties among countries have become closer and closer today; and we will never be able to achieve modernization if we do so behind closed doors without utilizing foreign capital, bringing in advanced technology, or emulating advanced foreign managerial expertise that is useful to us. Meanwhile, we must never waver in preserving the basic socialist systems. As far as the most important aspects are concerned, economically we will continue to consider socialist public ownership as the mainstay and reject privatization; and we will continue to integrate planned economy and market regulation and reject the full-fledged market economy of capitalist countries. Politically we will continue to uphold the people's democratic dictatorship, improve the people's congress system, improve the CPC-led multiparty cooperation and political consultative system, intensify our socialist democratic construction, and reject the multiparty system and parliamentary democracy of the West. In the ideological and cultural spheres, we will intensify our socialist spiritual construction and guard against the inroads of decadent capitalist ideologies. The nature of the socialist system will remain unchanged as long as we are in firm grip of these basic principles.

Question: Is it true that political education in China has become secondary in importance?

Answer: One basic mission of socialism is to develop the productive forces, and so we will persistently adhere to economic construction, which is the central objective. This is a principle that will not be changed. To boost the national economic development, we must intensify ideological and political education and education on patriotism, collectivism, and socialism among the people, especially the young people, so as to heighten their

national self-respect and self-confidence. Only by doing this can we revitalize the national spirit, bring the vast public's initiative and creativity into play, and encourage them to serve for the general objectives and plans of socialist modernization. Focusing on economic construction does not contravene intensifying ideological and political education. Ideological and political work and education should not be ignored, but should be regarded as important work.

Question: What is the most important issue confronting China today?

Answer: I think the biggest issue is how to achieve bigger successes in our economic construction. If China's economic development can proceed steadily during the last decade of this century, the many problems and contradictions which still confront China will be resolved fairly successfully. Our main objective of the decade from 1991 to 2000 will be to quadruple the gross national output value of 1980 so that the people can enjoy a comparatively comfortable life. To achieve this objective, we must strive to maintain an annual economic growth of approximately six percent and make great efforts to restructure our industrial production and product mix in order to achieve better performance and higher economic results. Also, we must firmly uphold the principle of achieving a sustained, steady, and coordinated economic growth; guard against any recurrence of major fluctuations; and continue to deepen reforms and open wider to the outside world. The priorities of economic development during the next 10 years will be these: First, we will continue to strengthen our agriculture; second, we will continue to strengthen the construction of basic industries and infrastructural facilities; and third, we will reorganize and rebuild the processing industries, placing emphasis on upgrading their technology instead of expanding their sizes. During the next 10 years, we will continue to underscore scientific, technological, and educational development.

Ministry Announces Cut in Export Subsidies

HK3011030190 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 30 Nov 90 p 1

[By Cheung Lai Kuen]

[Text] China's Ministry of Foreign Economic Relations and Trade (Mofert) will cancel export subsidies granted to loss-making firms from next year, vice-minister Li Lanqing said.

Mr Li, who is tipped to replace Zheng Tuobin as the minister of Mofert after Mr Zheng's retirement, said a "contractual responsibilities system" would be implemented throughout the country following the cancellation of export subsidies. Mr Li explained that under the contractual system all import and export corporations on the mainland would have to turn over to Mofert 20 percent of their foreign currency generated from exports of China-made products.

Mr Li said Beijing would return the amount in renminbi at the official exchange rate.

The import and export corporations would be allowed to retain the remaining 80 percent of their foreign currency earnings.

However, if any of these enterprises were to suffer losses, Mofert would refuse to grant them subsidies. For instance, although Qingdao city in Shandong province exported some 300 million yuan (about HK\$449 million) worth of merchandise last year, the city suffered losses of about U.S.\$20 million (HK\$156 million).

In the past, Mofert's policy was to subsidize the losses of import and export corporations if they could meet the export goals set out by Mofert at the beginning of every year.

This is in line with Beijing's policy to encourage exports, with the aim of helping the country earn precious foreign currency.

Unfortunately, he said, most China-made products were not able to fetch reasonably high prices because of increasingly competitive markets.

As a result, some of these enterprises have been slashing their export prices in a bid to win orders to meet the goals set by Mofert—which in any case reimburses their losses.

Losses posted by some of these enterprises have seen a substantial increase over the past two years.

The losses have been attributed to a sharp jump in production costs as well as the high rate of inflation.

East's Progress in Opening to Outside World Noted

OW2911194590 Beijing XINHUA in English
1329 GMT 29 Nov 90

["Roundup: East China Grows Mature in Opening to Outside World"—XINHUA headline]

[Text] Beijing, November 29 (XINHUA)—East China, China's most economically developed region, has continued to open up to outside world, according to views of local officials, economists and entrepreneurs.

This region contains three of the five open areas in China—the Yangtze river delta, the Shandong peninsula and the southern Fujian area. In ancient times, this region was the starting point for the maritime "silk road" and is home to the first Chinese ports to open to overseas trade. Since 1980, the region has kept in pace with the implementation of reform and the open policies. So far, it has attracted six billion U.S. dollars in overseas investments, accounting for one sixth of China's total.

About 10 billion yuan has been invested in the infrastructure of the region during the past decade. Ports, airports, highways and telecommunications facilities have been overhauled and upgraded.

Although the investment environment needs further improvement, it has become increasingly attractive to domestic and foreign investors.

Chen Wenxian, mayor of Wenzhou city—one of the 14 coastal cities open to the outside world, said that the region has laid down a solid foundation for use of overseas investments.

Local officials and entrepreneurs have paid special attention to coordinating their efforts with other parts of the country in order to further open the region to the outside world.

A new plan to enhance Shanghai's Pudong is being drawn up now. The central authorities have agreed to allow the city and Jiangsu and Zhejiang Provinces to develop the Yangtze river valley.

Jiangsu and Zhejiang Provinces have announced that they will spare no effort in supporting the development of the Pudong area. The provinces have announced that they will supply Shanghai with building materials, non-staple foods, funds and port services. A dozen of the most developed cities in the Yangtze river delta have also decided to join hands in development of Pudong.

Huang Qifan, vice-director of Pudong Development Office, said that the cooperation, which has shattered the conventional administrative and regional limitations and proceeded in accordance with the economic law, will play a significant role in future development projects.

It should be noted that the region has wiser and more discriminating in its use of overseas and domestic investments. Localities have limited or banned on development of technically backward, redundant or heavy-pollutant industries.

Gong Xiong, vice-mayor of Fuzhou city, said that Fuzhou and other cities will only accept overseas investments that facilitate technical progress or a rational adjustment of industrial structure.

Two new trends are also noteworthy: Many enterprises are more closely cooperating with other domestic enterprises while implementing the open policy, and opening and reform are promoting each other.

Since the coastal areas need raw materials from the inland provinces and regions, and the latter are eager to find export outlets in the coastal areas, the cooperation between the economic belts along the railway across China from Jiangsu through Xinjiang and the Yellow river valley, and the coastal areas come into being. In this way, the coastal economy has been integrated with those of central, north and northwest China, and the Yangtze river valley.

On the other hand, reform will enable the economic mechanism of the coastal areas to enter the international market. This opening to the outside world will force some departments to cut through a lot of red-tape, drop the out-of-date procedures, and streamline management

and administrative organs, according to Li Wuwei, deputy director of the Shanghai Economics Institute.

Shanghai's Pudong area is obviously a pilot site. The establishment of a free trade zone, the sale of land use rights and the introduction of overseas banks, (all of this requires corresponding administration and management reforms, and reforms of the financial system) will offer new opportunities and instruments for overseas investors.

'Roundup' Views Oil Exploration in Western Region

OW2911202590 Beijing XINHUA in English
1559 GMT 29 Nov 90

["Roundup: China Focuses Oil Exploration in West"—XINHUA headline]

[Text] Beijing, November 29 (XINHUA)—China shifted the focus of its oil exploration from the east to the west at the beginning of this year.

Earlier this year China began to concentrate its oil related technological forces in the Tarim Basin of the Xinjiang Uygur Autonomous Region in the hope to discover more oil fields.

China has been successful in maintaining a steady increase in its oil output, however, the country's oil industry has made the development of new oil fields a top priority.

China's petroleum industry went through a "glorious period" during the 1960s when it was able to change the country's poor oil status by discovering new oil deposits and developing large-scale oil fields in eastern China—including the Daqing, Shengli, Dagang and Liaohe oil fields. However, these oil fields have now entered a less productive period after 30 years of production.

China's oil and gas exploration is still in its initial stages, and thus far proven oil reserves account for only 16 percent and gas reserves for only 2.6 percent of the total oil and gas resources. Therefore, the key to the development of the petroleum industry is to increase the proven reserves.

Experts say that China will fail to maintain a balance between reserves and production unless it manages to increase proven oil reserves by 0.8 to one billion tons each year.

Faced with this challenge, China is shifting the focus of exploration to the west, while attempting to maintain stable production at the existing oil fields. The industry is expected to spend at least 100 billion yuan during the next five years as part of this endeavor.

Chinese oil experts are now confident of huge findings in the Tarim basin since the first test well in the central part of the basin produced promising oil and gas flows in October last year.

To date, over 40 test wells have been drilled throughout the basin and most have provided promising results.

Li Gansheng, a senior engineer in the exploration department of the China National Petroleum Corporation, says that he believes the 560,000-square-kilometer basin contains one-seventh of the country's total oil resources and one-fourth of the total gas resources.

Oil reserves in the basin have been estimated at over 18.45 billion tons, and it is expected that by the end of this year the question of whether there is actually a large scale oil field will be answered.

Reliable sources told XINHUA that the Chinese Government plans to invest more than 10 billion yuan in oil exploration and development in the Tarim basin, and expects the basin to produce at least two million tons of oil during the next five years.

Even though China is facing some financial difficulties, a spokesman for the China National Petroleum Corporation said, "we have started exploration in Tarim basin by relying on our own efforts and we will continue in this manner."

Progress in Controlling Construction Investment

OW3011035990 Beijing Television Service
in Mandarin 1100 GMT 26 Nov 90

[From the "National News Hookup" program]

[Text] China made new achievements in controlling the scale of investment and readjusting investment structure in the field of construction, and in stepping up the building of key construction projects during the Seventh Five-Year Plan period. [Video shows wide shots of construction site for a dam, a conveyor belt in operation, a factory workshop, and several workers at a railroad track]

During the five years, according to initial statistics compiled by the State Statistical Bureau, the country invested some 1.9 trillion yuan in fixed assets; created new fixed assets worth some 1.6 trillion yuan, or 2.5 times the figure of the Sixth Five-Year Plan period; completed the construction and transformation of 870 large-, medium-sized, and key capital construction projects, thus laying a solid foundation for further economic development in the next decade.

According to the Statistical Bureau's statistics, progress has been made in readjusting the investment structure during the Seventh Five-Year Plan period. There has been more investment in basic industries and infrastructure, the energy industry, raw and processed materials industry, transport, posts and telecommunications, and other productive projects, as well as in technological transformation of existing enterprises. Key projects during the Seventh Five-Year Plan period were completed more quickly than during the Sixth Five-Year Plan. During this period, the state launched 306 key construction projects with twice the total investment as

compared to the Sixth Five-Year plan. Of those projects, 128 have been completed and put into operation.

Chemical Industry Progress Under Five-Year Plan

OW2811055790 Beijing XINHUA Domestic Service
in Chinese 1111 GMT 26 Nov 90

[Text] Beijing, 26 Nov (XINHUA)—China has made significant progress in its chemical industry during the Seventh Five-Year Plan period. The country's total chemical industrial output value for 1990 is expected to reach 77 billion yuan, representing an increase of 56.9 percent over that of 1985 and an annual growth rate of 9.5 percent.

The output of 16 major chemical products registered a rather big increase during the Seventh Five-Year Plan period. Production targets for five products set for the Seventh Five-Year Plan, including chemical fertilizer, sulphuric acid, caustic soda, and synthetic ammonia, were fulfilled ahead of schedule in 1988. This year, the output of soda ash is expected to surpass the 3.5-million tonne target set in the plan. Some of the major chemical products lead the world in terms of production. China's production of calcium carbide now ranks first in the world; that of synthetic ammonia and dye stuff second; that of chemical fertilizer, pesticide, sulphuric acid, and soda ash third; and that of phosphorus and sulphur ore fourth. Meanwhile, the quality of chemical products has been steadily improved, with the rate of high-quality products reaching 49.3 percent. Quality standards have also been set for 1,572 chemical products nationwide, of which 665 are of state standards and 491 international. These standards are followed by 73.8 percent of such products.

Under the guidance of the economic improvement and rectification policy, the readjustment of the chemical product mix has yielded marked results. The proportion of chemicals for agricultural use increased sharply in the Seventh Five-Year Plan period. The fine production rate of chemical products reached 25 percent. Radial tires accounted for more than 10 percent of the total production of tires. Production of ionic caustic soda has also increased considerably. The consumption rate in 11 key state enterprises under various ministries is expected to go down 62 percent. The energy consumption rate for the whole industry is estimated to be 14.5 tonnes of standard coal per 10,000 yuan, a decline of 13 percent as against 1985.

Key construction and technical transformation projects in the chemical industry have been completed according to plan. Key state projects included in the Seventh Five-Year Plan were completed or put into production according to plan, including soda ash factories in Weifang, Tangshan, and Lianyungang, which have an annual production capacity of 600,000 tonnes each; the installation of equipment for the phosphorous ammonium factories in Nanjing and Dalian which has an annual production capacity of 240,000 tonnes each; the 20,000 tonne epoxy propane factory in Daku, the 135,000 tonne

Baigong Soda Factory; the Zhongyuan Chemical Fertilizer Plant; and the first-phase construction of a potash fertilizer plant in Qinghai. Together with the 15 large and medium-sized projects scheduled for completion in 1990 and a number of technical transformation projects completed in various localities that show quick results and good returns, investment in fixed assets in chemical industry during the Seventh Five-Year Plan period is estimated at 50 billion yuan. The completion of these capital construction and technical transformation projects will provide a solid foundation for the development of the chemical industry in the Eighth Five-Year Plan period.

Shipbuilding Industry Faces Lack of Capital

HK3011025390 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English
30 Nov 90 p 11

[By Ian Lewis]

[Text] China's shipbuilding industry plans to overcome a shortage of capital needed to raise capacity at state-owned shipyards by improving management, technology and productivity instead.

The China State Shipbuilding Corporation (CSSC), mainstay of China's shipbuilding industry, says production capability will be raised in all fields.

CSSC President, Professor Zhang Shou, told shipping industry leaders at the biannual Expoship Far East in Hong Kong that Chinese shipbuilders hoped to build on the advantages of raw materials and cheap labour.

The cost of large new projects was more than China could afford, so the aim is to upgrade productivity to meet expectations of fast growing demand.

"We foresee that, in the late 1990s, China's shipbuilding industry will develop at increased speed," said Professor Zhang.

"To achieve this we shall have to expand our shipbuilding capacity and increase our shipbuilding tonnage."

He said shipbuilding capacity was far from enough to meet the needs of China's national economy. Facilities for building 35,000-tonners and upwards were especially lacking. "At lot of money and other resources are needed; at present, we cannot afford to go all out on large scale projects.

"Our emphasis is on tapping the potential of existing facilities, shortening building periods and increasing the availability of building berths."

He said CSSC would strive in the next few years to exceed the highest ever annual output of 850,000 tonnes in shipbuilding by concentrating on funds and materials. Annual shipbuilding increased from 310,000 tonnes in 1979 to 600,000 tonnes in 1989.

CSSC would focus on the building of the 200,000-tonne dry dock in Dalian shipyard in northeastern Liaoning province, due to be completed in 1993, and on the renovation of shipbuilding facilities in other yards to increase the building capacity for ships of 35,000 dead-weight tonnage or above.

Professor Zhang admitted the Chinese were a long way behind developed countries in terms of management.

"Backward management is the main cause of long construction periods and low productivity in the Chinese shipbuilding industry. Our main target is to shorten the ship construction period."

The Gulf crisis was not expected to halt the growth of Chinese shipbuilding although it had slowed the impetus of development in the first half of the year, he said.

The excessive number of large oil tankers and the increase in shipping insurance meant some shipowners were hesitating to place orders, he said.

"Just when we were expecting an even better situation, the Gulf crisis shadowed the bright prospects."

"We believe that the Gulf incident is retarding the trend of shipping and shipbuilding market to prosperity, but it will not reverse such a trend."

The vast Chinese domestic market was a guarantee of continuous development because the Chinese Government gives priority to transportation and energy in the development of national economy, he said.

"There will be a significant increase in demand in the coming decade for coastal fuel carriers, ocean-going ships, passenger liners, work boats and offshore facilities."

And he predicted a certain increase in the world's shipbuilding tonnage which would help CSSC enhance and develop relations with world shipping and shipbuilding circles.

"We have expanded step by step our relations with shipbuilders and shipping companies of the world, learned much from our foreign colleagues, and benefited much by drawing on the technologies of the world."

Bonded Group Set Up To Boost Cotton Trade

HK3011024090 Beijing *CHINA DAILY* in English
30 Nov 90 p 2

[By staff reporter Jiang Xiaoyun]

[Text] The Beijing Bonded Cotton Group was founded yesterday in a bid to give the capital's cotton exports the edge on the world market.

The group, the first of its kind in China, comprises the Beijing Textiles Industrial Corporation, the Beijing Textiles Industry Material Corporation, Beijing Printing and

Dyeing Factory, import and export companies dealing with the city's textiles, knitwear and cotton products and the three biggest cotton spinning mills in the city.

The group will be chiefly responsible for importing cotton and processing it into textile goods for export.

Men Xiuqi, an official with the group, said that imported cotton would be exempt from customs tax from now on if it could be proved that it was going to be used in the processing of textiles for export.

This would help reduce the cost of producing cotton products for export and make them more competitive on the world market, said Men.

Meanwhile, he said, Beijing customs officials would be involved in checking the production of cotton products for export, a move designed to rectify the chaotic situation which had arisen in the production of such goods in recent years.

Agricultural Centers' Priorities Spelled Out

HK3011022690 Beijing CHINA DAILY in English
30 Nov 90 p 1

[By staff reporter Li Hong]

[Text] China will attach more importance to developing agricultural production centres during the coming decade in a bid to maintain a steady increase in the output of grain and other farm products, according to government officials.

Both central and local government plan to invest more in such projects as farming infrastructure, water conservancy and power supply, and to buy more farm machinery and establish rural grassroots technological centres.

Since 1983, the government has set aside 1.4 billion yuan to develop key grain production centres.

And now the government also plans to strengthen rural capability to process agricultural and sideline products and increase exports.

The State has invested 866 million yuan (about \$161 million) since 1986 in setting up 1,024 projects for processing and transporting agricultural and sideline products, which have earned the country \$2.3 billion.

It is predicted that an increasing number of China's rural counties will join the growing number of agricultural production centres for grain, cotton, livestock, aquatic products, tea, fruit and vegetables.

The central government is hopeful that the country's grain production centres will realize its grain target of 450 million tons by the year 1995, and 500 million tons by 2000.

China's grain output so far this year is over 420 million tons, an increase of 15 million tons over last year.

This year, the total of 274 State grain production bases yielded an output of 115 million tons, accounting for 26 per cent of China's total grain production. They also provided two-fifths of the country's supply to the grain market.

Also, the 97 State cotton centres produced 40 per cent of the country's gross cotton output, the 60 State aquatic production centres produced 30 per cent of the total fish output, and the 87 State "vegetable basket" projects around large and medium-sized cities provided nearly 80 per cent of the total urban vegetable supply, officials said.

China's State grain production centres played a key role in increasing China's grain output in the 1980s.

Grain output made a breakthrough in 1984, surpassing 400 million tons. But since then production has faltered.

In 1990, the 274 grain production centre counties—with 20 million hectares of farmland or 19.6 per cent of the country's total—reaped a harvest of 115 million tons, more than 26 per cent of the country's gross grain output.

Since 1983, the central and provincial governments, facing the need to feed an increasing urban population, chose the first batch of 60 high grain yielding counties as production centres.

The governments gradually expanded grain production centres' scale of operation and increased investment in irrigation and supply of high-quality seeds.

East Region

Jiangsu Forum on Grass-roots People's Congresses

OW3011054890 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 24 Nov 90

[Excerpt] The provincial People's Congress Standing Committee held a provincial forum in Nanjing from 22 to 24 November on the work of people's congresses of townships and towns. Responsible comrades from the People's Congress standing committees of 11 cities under the provincial government and some of the counties and cities attended the meeting.

Those comrades in attendance discussed their work and experience since the people's congresses in various townships and towns created the positions of executive chairmen. They also earnestly discussed ways to step up the work and strengthen people's congresses of townships and towns in our province.

Xing Bai, vice chairman of the provincial People's Congress Standing Committee, presided over and gave a speech at the close of the meeting. He pointed out: Following the elections of the people's congresses of counties and townships, the people's congresses of townships and towns in our province, thanks to the great attention and support of party committees and People's Congress standing committees at all levels, have implemented their work step by step, bringing an end to the situation in which congress work was left unattended and brought to a standstill when they were adjourned. They have played an active role in keeping in touch with the people's deputies and the masses, in pushing government work forward, and in promoting the two civilizations in rural areas. Meanwhile, because the people's congresses of townships and towns in our province created the position of executive chairman only a short while ago, the work of these officials has just started and there still exist many problems and difficulties which are to be continuously explored and solved in the course of practice. At present, we must, first of all, enhance our understanding of the importance of the work of people's congresses of townships and towns. Improving their work is an important part of upholding and improving the system of People's Congress; it also meets the needs of promoting democracy and strengthening political power at the grass-roots level. [passage omitted]

Jiang Chunyun Urges Continued Water Conservancy

SK0112010290 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 29 Nov 90

[Text] On 28 November, Jiang Chunyun, secretary of the provincial party committee, and Zhao Zhihao, provincial governor, wrote a letter to the vast number of cadres and workers on the water conservancy front of the province, urging them to continue to attach equal importance to the antidrought and flood prevention work, the expansion of water resources and water conservation, and construction and management, to combine their

revolutionary spirit with a scientific approach more actively, to meticulously improve the land of Shandong, and to develop water conservancy projects more successfully and more rapidly.

The letter said: With the guidance of the guidelines of the fourth, fifth, and sixth plenary sessions of the 13th party Central Committee, a stable political situation and steady economic development have appeared in our province in the first year of the 1990's. After conquering the catastrophic drought last year, this year, we again conquered rainstorms and floods rarely seen in history, and reaped a comprehensive bumper harvest in agricultural production. These achievements embodied the diligent labor of the vast number of party members, cadres, and ordinary people throughout the province, and also the significant contributions of the vast number of cadres and workers on the water conservancy front.

The letter said: In the rainy season this year, our province experienced continuous heavy and torrential rains, and vast waterlogged areas appeared in some localities. In the struggle to combat floods and waterlogging, cadres and workers on the water conservancy front and weather departments worked day and night faithfully at their posts. They acquired accurate information on rains and floods quickly, adopted active and resolute measures to handle sudden accidents, and control the use of water in a scientific and proper manner. In this way, they realized the goal of "preventing Huang He from breaching the embankment, preventing inland rivers from flooding, preventing reservoirs from collapsing, and preventing cities from inundation" put forward by the provincial party committee and government, and minimized the damage incurred by floods and waterlogging. While ensuring safety during the floods, you adopted every possible means to increase water storage. At present, the total amount of surface water exceeds 10 billion cubic meters, the greatest amount since the founding of the country. Your noble character of making positive contributions to benefit the people, share the burden with the state, develop Shandong's agriculture, and revitalize Shandong's economy is worthy to be learned from by people of various trades and professions throughout the province.

Jiang Chunyun and Zhao Zhihao pointed out in the letter: Water conservancy is the lifeline of agriculture, and also the lifeline of the entire national economy and people's livelihood. It is an important basic industry. Shandong is a province frequently hit by floods and drought. A shortage of fresh water is a protracted factor restricting our endeavor to develop the economy and improve the people's living standard. Water conservancy is a heavy task to be carried out on a long-term basis. Party committees and governments at various levels should attach greater importance to water conservancy, and all trades and professions should continue to support the work on the water conservancy front to develop our province's water conservancy work, and fundamentally improve our province's conditions for agricultural production.

Two Pimps Executed in Shanghai Municipality

OW0212115290 Shanghai City Service in Mandarin
2300 GMT 30 Nov 90

[From the "Morning News" program]

[Text] JIEFANG RIBAO and WEN HUI BAO have reported that people's courts at all levels in the municipality held open trials yesterday [30 November] and punished according to the law a number of criminals involved in forcing, seducing, and drugging women into prostitution, or in manufacturing, selling, and distributing pornographic articles.

From February to April this year, defendants Qin Guangxue and Yao Mingda, out of a desire to make profits, induced four young girls into having sex with more than 30 men. They also raped three of the four girls. The municipal intermediate people's court sentenced the two men to death on charges of seducing women into prostitution, and deprived them of their political rights for life. The municipal Higher People's Court concurred with the lower court's rulings. Yesterday, after their identities were verified, the two men were escorted to the execution ground and executed.

Qu Zhongjia, former worker of the [words indistinct] Dadui of the Shanghai Maritime Safety Supervision Bureau, bought a number of pornographic videotapes in Xiamen. After returning to Shanghai, he and sailor Cao Miaohua reproduced the videotapes and sold them at 40-50 yuan each. Under Articles 170 and 60 of the Criminal Law, Hongkou District Court sentenced the two to three years and two and a half years in prison, respectively. The two video recorders which they used to commit their crimes were confiscated.

Shanghai Municipality Fends Off Pornography

OW0112003590 Shanghai WEN HUI BAO in Chinese
24 Nov 90 p 1

[By reporter Wang Baolai (3769 1405 0171)]

[Text] In the past year, the Shanghai Municipal CPC Committee and municipal government have made serious efforts to implement the party Central Committee's and the State Council's plan to firmly crack down on pornography on the one hand and to nurture cultural activities on the other by mobilizing the masses, perfecting the administrative system, controlling and purging the publication and audiovisual market, and confiscating pornographic and illegal publications and audiovisual products. This has enabled Shanghai to cleanse the publication and audiovisual markets and allowed publishing, distribution, and cultural activities to thrive and surge healthily ahead.

Since last August, the municipal party committee and government have made serious efforts to implement relevant plans of the party Central Committee by strengthening leadership and mobilizing the masses and

have ensured that institutions, enforcement and inspection units, and propaganda workers have fulfilled their tasks. Shanghai's 12 districts and nine counties have set up task forces and offices led by leading party and government comrades to purge publication and audiovisual markets. Many large- and medium-sized enterprises, colleges, universities, neighborhoods, towns and townships have formed "antipornography" squads with party and government leaders personally taking charge of planning and inspection. Press, culture, radio, television, business administration, and police departments have joined forces to form enforcement and inspection units at municipal and district levels to conduct regular checks and deal with unlawful activities. At the same time, they have devoted endless efforts to propaganda and mobilization of the masses to make pornographic publications and audiovisual products into objects of public scorn, creating a groundswell of social opinion in which resisting pornography is an honor, indulging in it a stigma, and trafficking in it a crime. Publishers and competent departments in Shanghai have carried out, on their own, the examination of books, periodicals, and audiovisual products released in recent years. They have shaken up and reregistered all publishers in Shanghai. At present 1,900 publishers have been licensed; of these, 230 are book and magazine publishers. Libraries at all levels in Shanghai have also screened their books.

During the antipornography drive, Shanghai has also paid attention to strengthening the legal system, enforcing control according to law, and adhering strictly to policies. Last July, the municipal government announced the "Shanghai Municipal Provisions Governing the Management of Book and Magazine Market." The provisions clearly spell out the management system, supervision, inspection, and punishment, thus providing an important basis for future efforts to rectify the book and magazine market. Last November the municipal government announced the "Shanghai Municipal Temporary Provisions on the Ban of Harmful Publications" to deal with problems emerging during the antipornography drive. The municipal procuratorate and customs have formulated punishment standards in accordance with relevant laws to deal with cases involving the trafficking and smuggling of obscene materials. The municipal office in charge of the antipornography drive has printed the "Manual on Shaking Up the Book, Magazine, and Audiovisual Market" containing a list of banned books, magazines, and audiovisual products, distributing it to departments at all levels charged with law enforcement and managing the sociocultural market, as well as all kinds of libraries, in order to provide a basis for strict execution of policies. Since the inception of the antipornography drive, there have been no signs of attempts to confiscate books at will or to expand the scope of the purge.

To succeed in "antipornography" work, it is imperative to uphold the idea of fighting a "protracted war" and to grasp the work unremittingly. Based on actual local conditions, our municipality has taken six concrete measures for this work. 1) Blocking: We have effectively

blocked illegal publications from entering our market. 2) Interception: We have taken effective steps to intercept illegal publications, including banned books and magazines, being shipped to Shanghai through illegal channels. 3) Tracking: We have made all-out efforts to track down the cases of illegal publications. 4) Investigation: We have organized 207 investigations covering 12 districts and nine counties in our municipality aimed at confiscating and banning all illegal publications. 5) Digging: We have dug out criminal gangs engaged in production and sales of illegal publications. 6) Control: Based on the railway freight-handling procedures for goods imported from other provinces into Shanghai, we have paid particular attention to overseeing and controlling the baggage room at the railway station.

We have developed the "antipornography" drive on the one hand and increased prosperity in publishing on the other. In deepening the "antipornography" drive, we have used many healthy books and magazines, audio and video materials, literature, and art to satisfy the people's need for spiritual nourishment and have used socialist ideology to dominate the cultural front. In the last two years, we have compiled major book lists annually as a basis for our publishing work and concentrated our manpower, as well as material and financial resources, on producing books in accordance with qualitative and quantitative requirements and a set schedule. Last year, we published 157 major books. This year, the number will increase to 210. Major books are primarily books dealing with and publicizing Marxism-Leninism-Mao Zedong Thought; fine academic works; voluminous dictionaries, reference books, and serial works; books reflecting our traditional culture; and healthy reading materials that induce youths and children to progress. In recent years, to help develop publishing work and encourage literary and art creation, the municipal party committee and government have adopted a series of policies and measures to reduce the economic burden on journalistic, publishing, and cultural departments and to encourage them to turn out more mind-nourishing works. Under their direction, a number of plays, compositions, dances, fine art works, films, and television dramas have been created. Extensive mass cultural activities have also been carried out to enrich the people's cultural life.

Zhejiang Fulfills Export Targets Ahead of Schedule

OW0112181290 Hangzhou ZHEJIANG RIBAO
in Chinese 17 Nov 90 p 1

[Excerpt] The Ministry of Foreign Economic Relations and Trade sent a cable to Zhejiang to congratulate the province for fulfilling its export targets under this year's state plan two months ahead of schedule. By 10 November, the value of Zhejiang's exports has reached \$1.86 billion, up 18 percent from the same period last year.

This year, governments at levels have accorded great importance to exports, and actively worked to sell more

on the international market to achieve balanced economic growth. Cadres and workers in foreign trade sectors have inspired themselves to overcome the shortage of raw materials, spiraling costs, and other unfavorable factors, thereby sustaining the momentum to produce goods for export. For example, the textile, machinery, and chemical industries have all enjoyed a higher growth rate than last year. The success achieved by cities (prefectures) on their own have been outstanding. By the end of October, their exports exceeded \$100 million for the first time, up 97.8 percent from the same period last year. Thanks to exports, a large group of enterprises were able to overcome their production difficulties. [passage omitted]

Central-South Region

Record Guangxi Grain Production Reported

HK0112070990 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 29 Nov 90

[Excerpt] On the basis of a 2.4-billion kg increase last year, regional grain production has once again increased by a fairly wide margin this year, hitting an all time high. Total grain output for the whole region is estimated to reach 13.7 billion kg, an increase of 680 million kg over that of last year. This is 70 million kg more than 1983, the year with the previous highest annual grain output.

The achievement of such good results in the region is attributable to the following:

1. Leaders at all levels have attached great importance to grain production and generously increased input into grain production. The regional financial departments alone have put a total of 32.5 million yuan of special funds into grain production. [passage omitted];
2. Agricultural scientific and technological techniques have been popularized. A total of more than 26 million mu of hybrid rice and maize have been planted throughout the region, an increase of more than 7.8 million mu over last year;
3. Various trades have made vigorous efforts to support agricultural production, ensuring the supply of means of production, much improved varieties of rice, chemical fertilizers, pesticide, and plastic sheeting, as well as the supply of electricity and diesel oil.

Hainan Prepares for Large-scale Development

OW3011204290 Beijing XINHUA in English
0703 GMT 30 Nov 90

[Text] Haikou, November. (XINHUA)—Hainan Province, China's fifth and newest special economic zone, has improved its investment environment after seven years of effort, and is now preparing for large-scale development.

The central government decided to accelerate the development [of] south China's Hainan Island—the country's

second largest island following Taiwan—in 1983. Since that time the government of Hainan has concentrated its efforts on the construction of communications, power, telecommunications and other basic facilities. Construction was especially accelerated following 1988 when Hainan became a province rather than a prefecture, and was designated as a special economic zone.

The island has constructed several power plants and now has a total installed electric power capacity of 800,000 kilowatts—up from 388,000 kilowatts in 1988. The province, which used to suffer from shortages of power, now has a surplus of electricity.

At the same time, great progress has been made in Hainan's communications facilities. Sixteen new air service lines have been added to the original four, and the island is now linked directly with nearly all the major cities in the country, as well as with overseas cities such as Hong Kong, Bangkok and Singapore.

The Haikou airport has been expanded and now handles over 80 scheduled flights each week.

The construction schedule for the Phoenix International Airport at Sanya, one of the province's major projects, has been quickened and over half of the land levelling has been completed.

In addition, construction of an express highway is also well underway.

The province has also constructed six 10,000-ton shipping berths which have increased the total annual handling capacity of its harbors to 10.1 million tons, up from 7.4 million tons in 1988. The carrying capacity of the province's ships has also risen from 40,000 to 210,000 tons.

At the same time, the construction of the two 10,000-ton shipping berths at Haikou City is proceeding smoothly, and the work on shifting the Basuo harbor embankment further into the sea is approaching completion.

XINHUA has learned that during the Eighth state Five-Year Plan (1991-1995) period the province will build 19 new shipping berths, each with a capacity of 20,000-30,000 tons. Hainan has plans to increase its total harbor handling capacity to 18.7 million tons by the year 2000.

Construction of telecommunications facilities in Hainan is progressing smoothly and the number of the telephone switching devices has grown from 14,000 to 41,000 lines, while the number of long-distance telephone lines have increased three-fold from 1988 to the current 745.

The citizens of Haikou, the capital of the province, can now use direct distance dialing to call all parts of China, and are also able to connect with more than 100 countries and regions in the world. In addition, cable can be sent from Haikou to any telex user in the world.

Deng Hongxun, secretary of the Hainan provincial committee of the Communist Party of China, said that since

the environment for investment in Hainan has been greatly improved, it is now time to pay attention to the construction of both productive projects and basic facilities.

He noted that the provincial government has approved the establishment of 940 foreign-funded firms and over 3,000 inter-provincial enterprises in Hainan. Deng revealed that during the next period efforts will focus on the construction of a number of industrial and agricultural projects.

The party secretary said that the provincial government has drafted a series of policies, and laws and regulations to encourage domestic and foreign businessmen to invest in these projects.

Secretary Deng predicted that new momentum in the area of development and construction in the province will begin during the coming winter or next spring.

Zeng Haorong Elected Mayor of Haikou City

HK3011150690 Beijing ZHONGGUO XINWEN SHE
in Chinese 1410 GMT 30 Nov 90

[Report by reporter Gu Shihong (7357 2514 1347):
"Zeng Haorong Is Elected Haikou Mayor"—
ZHONGGUO XINWEN SHE headline]

[Text] Haikou, 30 November (ZHONGGUO XINWEN SHE)—At the first session of the 10th Haikou City People's Congress, which concluded today, Zeng Haorong was elected mayor of Haikou City. Former Mayor Li Jinyun was elected chairman of Haikou City's People's Congress Standing Committee.

Before being elected, the 45-year-old Zeng Haorong, a native of Zhejiang Province, had been deputy mayor of Taiyuan City, Shanxi Province. He was transferred to Hainan in 1989 and was appointed responsible person of the Hainan Provincial Industry Department. Later, he was appointed deputy secretary of the Haikou City CPC Committee.

Henan Steps Up Antipornography Campaign

HK0312105190 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 29 Nov 90

[Text] The three-day provincial conference on antipornography work ended in Zhengzhou yesterday.

The meeting heard a relayed report on the national antipornography conference. Comrade Yu Youxian briefed the meeting on antipornography work province-wide. Comrade (Hu Jituan) attended the meeting and held talks with the delegates and made an important speech.

The meeting participants suggested ways and means for carrying on the antipornography campaign thoroughly and persistently. The meeting discussed and made a plan for the antipornography campaign for this winter and next spring.

The meeting emphasized that it is necessary to focus on spots as yet untouched by the campaign and to thoroughly investigate the criminal gangs who illegally publish pornographic books and magazines, as well as their underground outlets. We should concentrate our fire on the prime culprits: habitual offenders, abettors, and those who run the risk of being uncovered in committing crimes during the campaign and who employ new tactics to publish and market pornographic books and magazines. We should combine the antipornography campaign with our effort to eliminate the "six evils" and tackle the problems in a comprehensive way. At the same time we should integrate the concentrated blitz with regular control so that we can get at the root of the problem, as well as bring about a temporary solution.

The meeting also discussed the practical problems such as the working system for regular control, the establishment of relevant institutions, and necessary funds and provided a realistic solution.

The participants unanimously held that the antipornography campaign is designed to make society prosperous. We must integrate the elimination of pornography with the building of spiritual civilization, and encourage the broad masses of people to take part in the campaign to deepen the struggle against pornography and upgrade the building of spiritual civilization.

Responsible cadres of party committees and governments and leading members of the press, publication houses, public security organs, procuratorial organs, and people's courts from cities and prefectures throughout the province attended the meeting.

Southwest Region

Yang Rudai Views Town, Township Enterprises

HK0112083090 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 29 Nov 90

[Text] On his inspection tour to rural areas of Shifang County, Mianzhu County, and Guanghan City, provincial party Secretary Comrade Yang Rudai pointed out: The great achievements scored in our policies and economic construction in the past 10 years are results of reform and opening up which need to be fully reaffirmed. However, for various reasons, problems still exist, which are mainly caused by our lack of experience, poor management in rural areas, and failure to carry out reform in a comprehensive way. These are problems we have encountered on our way ahead.

The next decade is a crucial one in which a good foundation should be laid for the next century. Doing a good job in the next decade and bringing about a big advance in economic construction requires great efforts. In the first place, the Eighth Five-Year Plan should be carefully worked out. Efforts should be taken to persistently carry out the basic line of the party in an all-around way, as well as lines, principles, and policies

formulated since the third plenum of the 11th session of the CPC Congress, and the 12th and 13th party congresses.

Comrade Yang Rudai said: Without upholding the four cardinal principles, practicing socialism is out of the question; and without reform and opening up, carrying out economic construction is also out of the question. Last year's disturbance resulted from our failure in a certain period of time in the past to make the party's basic line the main content in educating young students and cadres who are party members. At the fourth and fifth plenum of the 13th session of the CPC Congress, our party noticed this problem, repeatedly emphasized the four upholds, and worked out the basic line of one center and two basic points. In the next decade, we should, on the existing basis, concentrate our energy and attention to ensure a better job in economic construction. This requires us to carry out the basic line of one center and two basic points.

On the issue concerning the development of rural town and township enterprises, Comrade Yang Rudai pointed out: Although the mechanism of town and township enterprises is better than that of state-owned enterprises, it has a poor technical backing. Therefore, after undergoing certain scales of development, town and township enterprises should take to the road of developing in intensive form [nai han fa zhan 0355 0698 4099 1455] and devote great efforts to technical transformation. Moreover, with a high starting point, they should give prominence to technical transformation which is clearly understood and checked at each level. All prefectures, cities, towns, and townships throughout the province should have their own technical transformation projects to open up more new products. Every enterprise should have an internal plan of small-scale transformation and [words indistinct].

The experience of our province's advanced enterprises can be summarized in the following four aspects:

- 1) The technical transformation projects with high starting point they carried out in previous years can endure changes in funds, raw materials, and markets.
- 2) These enterprises are under a systematic management, integrating full reliance on the working class with strict scientific management.
- 3) They make constant study of market changes to expand existing markets and open up new ones.
- 4) The party, government, workers, and youth league are of one mind and never contend to be the core. They make concerted efforts to overcome difficulties for the purpose of running their enterprises well.

Comrade Yang Rudai called on enterprises to, as the next step of their work, firmly grasp enterprises' technical transformation, and do a good job in management and the building of their leading bodies. Meanwhile, efforts should be made to grasp well the building of the

party and that of grass-roots party organizations to strengthen their fighting capacity.

Tibet's Gyaincain Norbu on Farm Production Output

*OW3011045890 Lhasa Tibet Television Network
in Mandarin 1300 GMT 28 Nov 90*

[From the "Tibet News" program]

[Text] On the morning of 28 November, at a regional meeting on agricultural production and irrigation infrastructure, Gyaincain Norbu, chairman of the autonomous regional people's government, noted that Tibet has experienced healthy growth in agricultural production this year, and anticipated that the total agricultural output value of 790 million yuan in this year's plan will be met, up 4.4 percent from 1989. [Video shows Gyaincain Norbu addressing delegates to regional meeting on agricultural production and irrigation works]

After overcoming stagnant production in 1988, Tibet achieved a new high in grain output, totalling 1.11 billion jin, this year. This represents a 4.2 percent rise from 1989 and surpasses the target set in the 1990 plan. Regarding livestock production, although Nagqu Prefecture and others suffered disasters because of severe snowstorms, they had, under the leadership of party committees and governments at all levels, taken appropriate remedial measures and mobilized the cadres and people in the prefecture, particularly those in the disaster areas, to work hard and to bravely engage in rescue work. These efforts helped them reduce to a minimum the damage caused by storms. It has been a comparatively good year throughout Tibet for livestock output.

Gyaincain Norbu pointed out: Tibet was able to achieve such good results in agricultural and livestock production this year because party and government leaders at all levels resolutely implemented a series of important directives of the party Central Committee for undertakings in Tibet, and maintained a firm grasp on the two important tasks of developing the economy and stabilizing the situation. On top of that, they furthered heightened awareness on the fundamental status of agriculture in Tibet, strengthened organization, leadership, and control over agriculture, promoted and employed various scientific methods to boost agriculture, increased investment in agriculture, devoted efforts to building an agricultural infrastructure, and ensured the strong support of all trades and industries for agricultural production.

On the subject of ensuring the success of agricultural production next year and thereafter, Gyaincain Norbu put forward six suggestions: To further stabilize the situation to provide a favorable social environment for agricultural production and overall socioeconomic development; for leaders to continue to deepen awareness of the fundamental status of agriculture while giving ideological guidance to further stabilize and perfect the two permanent policies; to revitalize Tibet's agriculture by relying on technical progress; to increase input into

agriculture; to vigorously engage in the construction of irrigation infrastructure; and to improve the conditions for agricultural production. All trades and industries should support agriculture and create favorable conditions for it to develop steadily.

Gyaincain Norbu hoped that the cadres and people in the forefront of agricultural production must rise with force and spirit, overcome their difficulties, work hard, and soundly carry out their task in order to contribute to a greater harvest next year.

Ma Lisheng, Standing Committee member of the regional party committee and vice chairman of the people's government, presided over the meeting.

North Region

Wang Qun Views Agricultural Production

*SK0112030790 Hohhot NEIMENGGU RIBAO
in Chinese 20 Oct 90 pp 1, 3*

[By reporter Liu Cong (0491 3827) and correspondents Gao Ming (7559 6900) and Wang Min (3769 2404): "Our Region Has the Conditions To Develop Agricultural and Animal Husbandry Production Even Faster and Better"]

[Text] As long as the whole region follows a definite direction and a correct path, earnestly summarizes experiences, seeks unity of thinking and understanding, does not fear hardship, fatigue, or difficulty, and carries forward the spirit of continuous fighting, it is completely possible for us to develop the economy in rural and pastoral areas more quickly and better. The region will truly be certain and confident of realizing the three short-term fighting goals. This was stressed by Wang Qun, secretary of the regional party committee, while conducting investigation and study in the Ulanqab League.

Wang Qun highly praised the vast number of cadres and masses in the Ulanqab League for their advancement in the spirit of self-reliance and arduous struggle, for their working hard to bring about an upsurge in agriculture, for their full efforts in the "three-mu fields" construction, for their typical experience of various kinds, and for the league's excellent situation characterized by smooth administrative work, harmonious human relations, and a stable political and economic state. He said: Last year the league was busy with providing disaster relief, but this year it has reaped a bumper harvest. It is wrong to merely attribute this good situation to the mercy of nature. We should attribute it to the "endeavor" of the 3 million people of various nationalities in the league. It should be noted that the power of policies, scientific measures, and human endeavors constitute favorable conditions for surmounting difficulties and winning victory. This provides us a train of thought. That is, in developing agriculture, it is not enough just to discuss ways but to put them into effect. We should not moan

and groan because of disasters or depend on the mercy of nature. We must take the broad path of depending on construction and on science and technology to invigorate agriculture. This is the fundamental way to push agricultural and livestock production, grain production in particular, onto a new level.

During this investigation tour, Wang Qun visited Liangcheng County, Fengzhen County, Qahar Right Wing Front Banner, and Zhuozhi County. Wherever he went, he had heart-to-heart talks with local cadres and masses. In these talks, he primarily discussed the following issues: 1) On how to make the rural and pastoral work succeed even more; 2) on how to further enliven the rural and pastoral markets, and successfully run supply and marketing cooperatives; 3) on how to strengthen the self-development capacity, boost industrial production, and broaden sources of income and reduce expenditure; 4) on leaders' resolutions and measures; and 5) on further deepening reform, changing functions, and facilitating the economic construction of rural and pastoral areas. He said: To achieve success in these issues, it will not work to rely on old paths and old methods. We must extensively mobilize the initiative of the masses, pool the wisdom and efforts of everyone, and use the ideological train of reform and the method of reform in line with the guidelines of the fourth, fifth, and sixth plenary sessions of the 13th party Central Committee and in line with local conditions. For this, he especially stressed the current necessity of further seeking unity of thinking and understanding in five aspects.

First, we should firmly define the guiding ideology of having faith in the masses and cadres, and going all out with construction through self-reliance and arduous struggle. What has happened in the Ulanqab League shows that the masses have a vast reservoir of potential which cannot be calculated with a computer. The masses urgently demand improving the present state, becoming prosperous, and leading good lives. Our tasks of having the people become relatively well-off and realizing the three short-term fighting goals conform to the demands and aspirations of the masses. We must catch sight of this point. To realize the three fighting goals even faster and better, on what should we depend? We should depend on the masses, on their spirit of self-reliance and arduous struggle, and on their initiative and creativity. If we just have our eyes on and ask for help from higher levels, instead of having faith in and depending on the masses, then we will achieve nothing.

Second, the key lies in leaders. Whether to act or not and whether to act on a small or large scale depends on the leaders. To do the work in a down-to-earth manner rather than superficially, we must have strong determination, effective measures, and good work results. Our strong determination is based upon scientific and democratic policy decisions. It is not enough to work on a small scale. Always lingering on the production of the small-scale agricultural economy will prevent us from making progress, and the only way out is to conduct the

socialized commodity production. If we want to do our work on a large scale, our starting point must be higher. We should make overall plans and define goals for every banner and every county, and for every trade and every profession, and should strengthen the construction of agriculture and animal husbandry infrastructure. Agricultural and animal husbandry production must be based upon reaping bumper harvests through resisting serious natural calamities. To make our measures effective, we must organize all forces, from higher to lower levels, arouse the enthusiasm of the whole party and the whole people, and assign tasks and targets to all units, including party committees, governments, people's congresses, organizations of the Chinese People's Political Consultative Conference, organizations of the Communist Youth League, women's federations, and militia units. In addition, if we pay equal attention to such measures as ideological and political work, demonstrations of typical cases, technological measures, and guarantee for materials and goods supply, then we will certainly win a victory in our work. Without a strong organizational force, we will be unable to initiate a large cause. To achieve good results in the cause, we should avoid blind commanding and blind work. To make our input yield results, we should protect the initiative of the vast number of cadres and masses. We should believe that solutions are greater than problems, and Communists are always forging ahead in the course of surmounting difficulties.

Third, we should educate cadres to combine the work of maintaining close ties with the masses with the work of helping the masses become prosperous. The demand of strengthening the flesh-and-blood relations between the party and the masses, decided at the sixth plenary session of the 13th party Central Committee, is precisely aimed at educating cadres to combine the maintenance of ties with the masses with production struggles and scientific practice. It is aimed at tempering and training cadres through production struggles and scientific practice. We should cultivate our cadres to become people with lofty ideals, moral integrity, cultural accomplishments, and discipline, who do everything for the people and for the prosperity of the country so that our country's leadership will be really grasped in the hands of Marxists, and in the hands of cadres who truly serve the people.

Fourth, we should restructure organizations, change functions, and better gear the superstructure to the economic foundation. This work is imperative under the current circumstances. The comprehensive and coordinated reforms carried out by the Qahar Right Wing Front Banner have already witnessed practical results. We should conscientiously study and vigorously popularize this banner's experience of "streamlining the superstructure, strengthening the grass roots, changing functions, and strengthening service." Reform is not aimed at merely streamlining a few people, but is aimed at promoting the development of productive forces, and giving full play to the superiority of the socialist system.

All trades and professions as well as all departments should deepen reform in line with the central task of economic construction. This also includes the deepening of rural and pastoral reforms, perfecting the household output-related contracted responsibility system, and energetically promoting the dual managerial system under which unified management is combined with separated management. We should strengthen the comprehensive service system of rural and pastoral areas to solve those problems which cannot be solved or solved well by individual households. We should develop commodity production to increase social wealth. The problems regarding rural and pastoral reforms should each be studied and solved. Instead of restricting their activities to designated areas and spheres, all departments should boldly conduct reform from the basis of developing agricultural and animal husbandry production and providing convenience for the livelihood of peasants and herdsmen. Commercial and supply and marketing departments should closely cooperate with each other to actually improve the circulation of goods, grasp well the purchasing and marketing work of rural and pastoral areas, and solve the masses' difficulties in buying and selling goods. We should further handle well the relations between accumulation and distribution, and constantly cause more momentum for further developing agricultural and animal husbandry production. All banners and counties should organize forces to conduct a thorough survey of and resolutely check the unjustified collection of financial levies and charges to reduce the unreasonable burdens on peasants and herdsmen.

In capital construction of farmland, grassland, and pastureland, we must make efforts to handle well the issues of combining long-term projects with short-term ones. We must develop diversified occupations with a focus on a certain trade. They are the issues that affect peasants' long-term prosperity. We should pay attention to forest and grassland construction, restore plant coverage, and build "green banks" to benefit future generations.

All localities should conduct massive summarization and commendation activities. They should, through summarization, criticism, comparison, and commendation, further unify ideas, enhance spirit, and mobilize the masses to advance on the crest of a victory to make outstanding contributions to steadily increasing agriculture and animal husbandry and creating a new situation in industry next year.

Fifth, we should positively develop scientific farming. We should energetically promote the construction of irrigation works, the mechanization of agriculture, the building of forest networks, and electrification. We should also attend to intensive management and pay attention to technological guidance and service.

Inner Mongolia Commander on Armed Forces Work

SK0312020190 Hohhot Inner Mongolia Regional
Service in Mandarin 1100 GMT 30 Nov 90

[Text] Diao Congzhou, commander of the Inner Mongolia Military District, during his recent inspection tour

at the grass-roots level urged People's Armed Forces departments at various levels to conscientiously implement the important instructions given by Chairman of the Military Commission Jiang Zemin when he inspected our region, organize the militia and reserve forces to successfully carry out their own work, and make new contributions to the unity, stability, and development of the autonomous region.

When conducting investigations at the People's Armed Forces departments of 13 banners and counties of the five leagues and cities of Chifeng, Jirem, Baotou, Ulanqab, and Hohhot, Diao Congzhou discussed with some cadres of People's Armed Forces departments and militia cadres specific opinions on implementing the instructions of Chairman of the Military Commission Jiang Zemin.

He pointed out: The developments and changes in the domestic and international situations and the strategic position of the autonomous region dictated the need for People's Armed Forces departments at various levels to regard unity, stability, and consolidation of the frontier area as their most important tasks. People's Armed Forces departments should conscientiously implement the guidelines of the autonomous regional rally to commend those who advance national unity and progress, and play a leading role in strengthening the great unity among the various nationalities.

The glorious tradition in which the party takes charge of People's Armed Forces departments should be upheld to ensure the absolute leadership of the party over the work of the People's Armed Forces departments. The contingent of militiamen should be conscientiously managed and used to further consolidate Inner Mongolia's unity and stability, and facilitate the continuous development of economic construction. People's Armed Forces departments are the military departments of local party committees. They should fully perform their functions, strengthen political and ideological work, improve themselves politically, and ensure that the militia and reserve forces are politically qualified.

After visiting the exhibition on grass-roots national defense education, a military demonstration by a contingency militia squad, and a militia training base, Diao Congzhou pointed out: We should pay attention to the various basic tasks of the militia and People's Armed Forces departments to ensure that the duties of the militia and reserve forces are carried out at the grass-roots level. While fulfilling their militia training tasks, banner and county militia training bases also should fulfill production and management tasks, attach importance to the multi-purpose use of bases, and fully develop the military, economic, and social benefit of the bases to gradually reduce the burden on the people.

People's Armed Forces departments at various levels should implement Chairman Jiang Zemin's inscription on cherishing an ardent love for and keeping one's mind on defending and developing the frontier as a guide,

continue to carry forward the spirit of hard work, strive to strengthen the work of the People's Armed Forces, and make contributions to building a united, prosperous, and civilized Inner Mongolia.

Tianjin's Tan Shaowen Inspects Tree Planting

*SK3011124490 Tianjin City Service in Mandarin
2300 GMT 29 Nov 90*

[Excerpt] During an inspection tour in the Beijiao District to inspect the tree-planting project in Beijiao section of the Beijing-Tianjin highway on the afternoon of 29 November, Tan Shaowen, secretary of the municipal party committee, pointed out: Urban tree planting is a major task to beautify the city and benefit the people. All departments should make concerted efforts to conscientiously carry out this task, and make Tianjin more beautiful.

The Beijiao section of the Beijing-Tianjin highway starts from (Pingxian) Bridge in the south and ends at (Liuhe) Bridge in the north, and is 7.8 km long. In the past, the highway was lined with sewage ditches. In the rainy season, sewage overflowed, and there were flies and mosquitoes everywhere, which eroded road surfaces, polluted the environment, and had an adverse influence on the appearance of the city. In the past few years, with the support of pertinent departments, the Beijing District party committee and government invested more than 2.6 million yuan to fill up the ditches, lay underground drainage pipes, and comprehensively improve the areas along the highway by planting trees and renovating houses, and achieved good results in this. As of now, more than 11,000 meters of drainage pipes have been laid, more than 1,000 square meters of road surface have been built, 101,200 square meters of lawns have been laid, and more than 61,000 saplings have been planted. [passage omitted]

Northeast Region

Sun Weiben Addresses Nonparty Cadres' Forum

*SK0312033790 Harbin Heilongjiang Provincial
in Mandarin 2200 GMT 1 Dec 90*

[Text] On 1 December, Sun Weiben, secretary of the provincial party committee, delivered a speech at the forum with the participation of the trainees of nonparty cadres' training class, urging the personages of democratic parties and nonparty personages to inherit and develop the fine tradition of elderly generation and to work with the people across the province to mutually overcome the difficulties.

The training class of nonparty cadres is sponsored by the organizational and the united front work departments in line with the demand of the provincial party committee by entrusting the provincial socialist academy. Attending the two-month training class were 50 persons, including personages from the democratic parties and

nonparty personages across the province, who are backbone personnel on the fronts of production, scientific research, and education.

In his speech, Secretary Sun Weiben stated that the democratic parties in China are the bosom friends and comrades-in-arms of the CPC. They have inherited many practices of the fine tradition and become the precious wealth of the Chinese nation in inheriting the socialist cause. The current program of building socialism reflecting Chinese characteristics under the party's leadership means that it is hoped that tasks in any revolutionary period should be regarded as more profound and arduous. This urges the democratic parties to conduct closer cooperation with the CPC and to bring their role into greater play.

In his speech, Sun Weiben emphatically stated that nonparty cadres are the important component of the party cadres' ranks and equally entrusted by the party and the people. The title of nonparty cadres is only the form of habitual address and by no means should we regard them as outsiders. Nonparty cadres can play a role which cannot be played by party members. Leading comrades of the party in power should also develop the examples set by the elderly revolutionaries in carrying out cooperation and working together with nonparty personages as well as should conduct in a down-to-earth manner the work of carrying out cooperation and working together with nonparty personages and (do a good job) in the work.

In concluding his speech, Sun Weiben urged various democratic parties and nonparty personages to inherit and develop the fine tradition of being in the same boat with the CPC, helping each other, and sharing weal and woe with it; at the crucial moment of improving the economic environment, rectifying economic order, and deepening the reform drive across the country, to mutually overcome the difficulties and withstand the test; and to offer opinions of their professional work and make contributions to achieving stable development in the province's economy by bringing into full play their strong points of cultural accomplishments, high standards in science and technology, and of extensive social contacts in promoting production, business, and management.

During the forum, the participating trainees expressed that they will never fail to live up to the entrustment and expectation of the provincial party committee; will actively participate in government work and in the discussion of political affairs; and will make still greater contributions to consolidating and developing the political situation of stability and unity, and to promoting the programs of building socialist modernization, conducting reform, opening to the outside world, having China become one country with two systems, and peacefully reunifying the motherland.

Attending and addressing the forum were Wang Zhao, chairman of the provincial Chinese People's Political

Consultative Conference Committee; Zhou Wenhua, deputy secretary of the provincial party committee; and Ma Guoliang, member of the provincial party Standing Committee and secretary general of the provincial party committee.

He Zhukang Speaks at Forum of Veteran Leaders

SK011145990 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 29 Nov 90

[Text] On the afternoon of 27 November and the morning of 29 November, the provincial party committee invited some former provincial-level veteran leaders to a forum to extensively solicit their opinions on the work of the provincial party committee and government. Comrade He Zhukang presided over the forum. He said: This year will soon be over, and the new year is drawing near. The provincial party committee plans to hold the sixth plenary session of its fifth committee in early December to summarize this year's work and arrange next year's tasks. Next year's work tasks are numerous, but the major ones are economic construction and party building. In party building, we should first emphasize ideological construction. The focus of economic construction should be placed on industrial production. To make the plenary session successful, the provincial party committee will give heed to the opinions of various quarters extensively before its convocation. Veteran comrades are welcomed to offer apropos opinions and suggestions.

Participants to the forum aired their views vigorously, and the atmosphere was harmonious. Comrades Wang Daren, Xin Cheng, Song Renyuan, Zhang Shiyang, Yang Zhantao, Yu Lin, Li Diping, Shi Linqi, Che Minqiao, Wang Guanchao, and (Liu Xicai) spoke at the forum. They offered their ideas and suggestions on the domestic and international situation, steady and high agricultural production, intensive processing of grain, change of the situation in industrial production, and on the correction of unhealthy trends in some trades.

Comrades attending the forum also held animated discussions on ways to improve the party ideologically. They gave many good suggestions, such as intensifying study of political theories, raising leading cadres' theoretical level in Marxism-Leninism-Mao Zedong Thought, opposing peaceful evolution, strengthening efforts to improve party style, conducting criticism and self-criticism, and maintaining close ties with and relying on the masses.

At the end of the forum, Comrade He Zhukang said: This forum has proceeded in a very good atmosphere. With an attitude of high responsibility, and focusing on the need to maintain stability and unity and achieve success in economic construction and party building, especially party building, you have affirmed the achievements and pointed out problems. You have also given

some very apropos criticism, suggestions, and expectations, which have deeply educated us. The provincial party committee will conduct conscientious study, and improve its work.

In conclusion, Comrade He Zhukang said: Under the leadership of the party Central Committee and by firmly relying on all party members and the masses, the provincial party committee is determined and confident to carry out its work cautiously and conscientiously, and promote the work in the various fields of the province.

Wang Zhongyu, Du Qinglin, and Gu Changchun, deputy secretaries of the provincial party committee; Wu Yixia and Ren Junjie, Standing Committee members of the provincial party committee; and Song Jiehan, Li Shuren, Wang Jiren, and Dong Su, former provincial-level veteran leaders; attended the forum.

Attends Forum of Experts, Scholars

SK0212035790 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 30 Nov 90

[Text] This afternoon, the provincial party committee invited more than 30 experts and scholars from the theoretical, press, scientific, technological, cultural, educational, and public health circles to a forum to conscientiously hear their opinions and suggestions for the work of the provincial party committee and the provincial government. Comrade He Zhukang, secretary of the provincial party committee, presided over the forum. Fifteen comrades including (Wu Zequan), (Ding Yucheng), (Zhang Guangguo), (Zheng Guorong), (Zhang Yuefeng), (Han Mingxi), (Jin Enhui), (Yuan Yusheng), (Liu Yuanxu), (Xu Deqi), (Chen Guangxi), (Zhou Zhenfeng), (Zheng Fangze), (Pan Fuqian), and (Zhang Meide), gave speeches at the forum. They offered their views and suggestions on improving the quality of primary and middle school teachers, on paying attention to vocational and adult education, on making the whole society show concern for the growth of youths, on strengthening Marxist theoretical education for college students and for young and middle-aged teachers, on displaying the role of scientific research fellows, on converting scientific research findings into productive forces as soon as possible, on improving the living conditions for intellectuals, on invigorating literary and art undertakings, and on promoting the development of medical and health undertakings.

At the end of the forum, Comrade He Zhukang said: All suggestions which you have offered today are very good. Of these issues, some concern each specific department and some concern the overall situation. Your suggestions are very helpful and enlightening for the provincial party committee to make plans for future work. We have already learned some of the problems and are making efforts to study ways to solve them. He stressed: The focus of next year's work is to simultaneously grasp the building of the two civilizations. The emphasis of economic construction is to do a good job in industrial production. In spiritual civilization, we should mainly

grasp party building and ideological construction, which should be combined. This issue is very important.

At the end of his speech, Comrade He Zhukang said: Much work faces us next year. It is hoped that all of you will integrate the current work with the overall situation, ponder major matters and do practical things, start the work with your own specific unit and department and on your own initiative, strengthen the building of the ranks of personnel, give better play to the role of intellectuals, and serve our province's economic construction. Wang Zhongyu and Gu Changchun, deputy secretaries of the provincial party committee; Gao Yan and Ren Junjie, members of the Standing Committee of the provincial party committee; Zhang Yueqi, vice provincial governor; and Hu Houjun, director of the propaganda department of the provincial party committee; attended the forum.

Discusses Grass-roots Organizations

SK0212065590 Changchun Jilin Provincial Service in Mandarin 1030 GMT 30 Nov 90

[Text] The four-day provincial conference on building grass-roots organizations in urban and rural areas ended today. On the afternoon of 29 November, leading comrades of the provincial party committee and provincial government, including He Zhukang, Wang Zhongyu, Du Qinglin, Wu Yixia, and Gao Yan, held a forum with participants on how to strengthen the building of urban and rural grass-roots organizations. After listening to speeches given by delegates from various localities, Comrade He Zhukang also gave a speech. He said: Under the current situation, the fundamental way to uphold socialism and guarantee that the country will not change its nature lies in leadership. On the one hand, leadership is determined by the core of the leading nucleus; and, on the other hand, it is determined by the building of grass-roots organizations. So, the party and governments at all levels must pay full attention to strengthening the building of grass-roots organizations. They must persist in meeting a high standard and they must enable the urban and rural grass-roots organizations to give full play to their role. Comrade He Zhukang noted: Strengthening grass-roots organizations is a long-term task as well as a way to develop systems. It embraces organizational building and ideological construction. In line with the demand of building socialist modernization with Chinese characteristic, we should foster a general objective, proceed from reality, and realize the objective gradually. Party committees and governments at all levels should immediately formulate specific objectives and plans, strive to solve the prominent problems in the current building of grass-roots organizations in two to three years, and basically reach the level in which leading bodies are strong and energetic, all types of organizations are perfect, all systems are being implemented, and all grass-roots works are proceeding in an orderly manner. In this level, the leading bodies should have management authority and should work vigorously, and the social order should be

good, production should be developed, the collective economic strength should be strengthened, the service function should be enhanced, the principles of the party and the state should be implemented, and all tasks should be fulfilled on time. He stressed: Urban and rural grass-roots organizations should try by all possible means to develop the collective economy. In addition, they should realistically grasp the building of spiritual civilization and use socialist ideology to occupy the rural cultural front. Through hard work, we should enable about 10 percent of the backward grass-roots organizations across the province to change their outlook, about 50 percent of moderate grass-roots organizations to make breakthroughs in their work, and about 30 percent of advanced grass-roots organizations to enter a new stage. This will be an effort to improve the general level of grass-roots organization building even more.

Wang Zhongyu, deputy secretary of the provincial party committee and province governor, also spoke at the forum. He said: Leading organs should serve the grass-roots levels and strengthen guidance over the work of grass-roots organizations. District and county leading organs in particular should devote more energy to grasping the building of grass-roots organizations, sum up experiences without ceasing, and explore ways to strengthen the building of grass-roots organizations.

During the forum, 14 units, including the Yanbian Korean autonomous prefectural party committee and government, introduced their advanced experiences. Comrades attending the forum also visited and observed the (Shangtaizi) Village in (Fengjin) Township of Kuancheng District in Changchun City, (Zhongzhenshiwei) in Erdaohezi District, and the Kaixuan Road Neighborhood Committee in Kuancheng District. They also discussed the opinions of the provincial party committee and the provincial government on strengthening the building of urban and rural grass-roots organizations.

Before the conclusion of the forum, Wu Yixia, member of the Standing Committee of the provincial party committee and vice provincial governor, also gave a speech.

Jilin CPPCC Standing Committee Meeting Ends

SK0212051690 Changchun Jilin Provincial Service in Mandarin 1030 GMT 30 Nov 90

[Text] The 15th Standing Committee meeting of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] ended in Changchun today after four days. Liu Yunzhao, chairman of the provincial CPPCC committee; Gao Wen, Zhang Dexin, Geng Yuelun, Luo Yuejia, Jin Minghan, Cai Qiyun, Lu Shiqian, Feng Xirui, Zhang Hongkui, vice chairmen of the provincial CPPCC committee; and some committee members, a total of 77 people, attended the meeting. Responsible comrades from various cities, prefectures, and autonomous prefectures and various committees and offices of the provincial CPPCC committee attended the meeting as observers.

All participants attended the provincial conference to exchange experiences in the CPPCC work. The Standing Committee members heard and discussed Vice Governor Liu Xilin's report on the entire province's economic work. During discussions, they agreed that the economic analysis mentioned in the report is correct. They fully affirmed the economic achievements of the provincial government. In addition, they also offered valuable opinions and suggestions on some enterprises' chaotic management, poor product quality, and high prices; on serious deficits; on the decline in profits and taxes and the collection of unjustified collection of service charges, fines, and fees in society; and on the building of clean politics.

The meeting's participants decided that a youth section will be added to the provincial CPPCC Law Committee. They also decided to accept Comrade Wu Jingchun's request to resign from his post as member of the provincial CPPCC committee. They decided to elect (Cheng Peng) as additional member to hold the concurrent post as vice chairman of the Economic, Scientific, and Technological Committee. (Zhang Dechun), (Zhang Shuchen), and (Zhang Yaocheng) were elected members of the Economic, Scientific, and Technological Committee; (Peng Deshan) and (Li Xincui) were elected to hold concurrent posts as vice chairmen of the Social Law Committee; (Ma Xingqin) and (Hao Yunfei) were elected members of the Social Law Committee; (Ouyang Qing) was elected member of the Culture, Education, and Public Health Committee. The committee decided that the sixth provincial CPPCC committee meeting will be held in the first quarter of next year. The chairmanship meeting will be authorized to make arrangements for all specific matters.

Liu Yunzhao and Gao Wen presided over today's meeting.

Quan Shuren Holds Antipornography Forum

SK0312025790 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 30 Nov 90

[Text] On the afternoon of 30 November, provincial leaders, including Quan Shuren, Yue Qifeng, Sun Qi, Shang Wen, Wang Chonglu, and Zhang Zhiyuan, held a forum with comrades attending the provincial antipornographic and publication work conference to discuss antipornographic issues. The forum was presided over by Wang Chonglu, member of the Standing Committee of the provincial party committee and director of the leading group in charge of publicizing ideological work of the provincial party committee. Provincial leaders first heard a report given by (Yu Qinglan), director of the provincial publication bureau, and member of the leading group in charge of publicizing ideological work of the provincial party committee, on the situation of the conference held during the past two days. Then, they

heard reports given by Zhang Yumao, vice mayor of Shenyang City, Guo Jun, deputy secretary of the Anshan City party committee, (Ke Fu), director of the Propaganda Department of the Tieling City party committee, and (Li Wenxia), vice mayor of Jinzhou City. After conscientiously listening to reports, Sun Qi, deputy secretary of the provincial party committee, Yue Qifeng, deputy secretary of the provincial party committee and acting provincial governor, Zhang Zhiyuan, vice chairman of the provincial People's Congress Standing Committee, and Quan Shuren, secretary of the provincial party committee, gave important speeches respectively. In his speech, Comrade Sun Qi noted: It is necessary to put antipornographic work on the path of the current struggle to deal strict blows to criminals, consider cases on manufacturing and selling pornographic products as one of the important part of the struggle, and conscientiously and strictly handle all known cases of manufacturing and selling pornographic products. Communist Party members who are involved in manufacturing and selling pornographic products must be strictly dealt with when discovered.

Comrade Yue Qifeng touched on the important significance of antipornography from the perspective of preventing peaceful evolution. He noted: Once the ideological line of defense has collapsed, pornographic and reactionary things will get a chance to step in. We must not lower our guard. He touched on specific views on the organization and funds for pornographic work and on strengthening the building of the legal system.

Comrade Zhang Zhiyuan said: It is necessary to extensively and deeply mobilize the masses, clearly explain the harmful influences of pornography to them and make them resist pornographic things on their own initiative.

Comrade Quan Shuren talked about his views on strengthening people's understanding of antipornographic work, on the arduousness of the work, and on strengthening leadership over antipornographic work. He said: We should understand the significance of antipornographic work from the perspective of the two kinds of social systems and the struggle between two ideological systems, and of maintaining close ties between the party and the masses. Antipornography is a struggle against peaceful evolution. It is not a simple specific work. It is concerned with the national spirit and future of the state. While touching on the arduousness of antipornographic work, Comrade Quan Shuren said: In carrying out antipornographic work, we must foster the idea of fighting a long-term war. As long as the two social systems and the struggle between two ideological systems exist, antipornographic work will not end. In addition to making concentrated efforts to strike at pornography, we should also grasp regular management, and establish management methods. Party committees at all levels and various departments concerned should each perform their own duty, and realistically carry out antipornographic work in places where needed.

Hao Meets U.S. Guest, Supports UN Resolution*OW0112000490 Taipei CNA in English 1455 GMT
30 Nov 90*

[Text] Taipei, Nov. 30 (CNA)—Premier Hao Po-tsun said Friday the Republic of China [ROC] supports the UN resolution authorizing the use of force against Iraq if Baghdad refuses to withdraw from Kuwait.

Hao said that the Republic of China opposes military aggression by any country. Taipei condemned Iraq after it invaded Kuwait Aug. 2.

The Gulf crisis will likely be solved within a few months by peaceful means or by war, Hao predicted during a meeting with Governor Tommy Thompson of Wisconsin State, the United States.

Premier Hao and his American guest also exchanged opinions on a wide range of other issues, including relations between the two sides of the Taiwan Strait and ROC-US trade ties.

Since Peking insists on maintaining its communist system and is highly capricious in its policy, Taiwan must be very cautious and avoid wishful thinking as it develops civilian contacts with the Chinese mainland, Hao said.

The Republic of China Government has ruled out official contacts with the Chinese Communist regime until Peking accepts several conditions, including abandoning its attempt to take Taiwan by force.

Stressing the Republic of China's determination in improving trade relations with the United States, the premier emphasized that Taipei has in recent years made a great effort to trim its trade surplus with Washington, D.C., an effect which has had outstanding results.

Foreign Ministry on Resolution*OW0112000390 Taipei CNA in English 1457 GMT
30 Nov 90*

[Text] Taipei, Nov. 30 (CNA)—Foreign Ministry spokesman Huang Hsin-pi said Friday that the Republic of China [ROC] supports the United Nations resolution authorizing the use of force against Iraq.

The UN Security Council has passed a resolution, which allows an attack on Iraq if its troops fail to withdraw from Kuwait by Jan. 15.

Huang said the UN authorization of a military attack is necessary to force Iraq to withdraw from Kuwait. The ROC hopes Iraq will withdraw from Kuwait in order to avert war in the Middle East, he stressed.

Huang reported that the cabinet-level Middle East crisis task force will meet Dec. 4 to discuss emergency measures for coping with new challenges if a war erupts in the Persian Gulf.

Air, Navigational Links With SRV Restored*OW0112181890 Taipei International Service
in English 0200 GMT 29 Nov 90*

[Text] A ranking Communications Ministry official has said that the Republic of China [ROC] and Vietnam have reached a tentative agreement to resume the air and navigation links that have been suspended since communists swept over the country in 1985 (date as heard).

Director of the ministry's Civil Aeronautics Administration, Chen Chia-ju, said upon his return from Vietnam that officials from the two countries have struck a deal over the matter. Chen was a member of the ROC delegation which concluded a seven-day visit to Vietnam.

Chen said the agreement was reached after only a few meetings, as both sides felt that direct air and navigation links will be instrumental in improving bilateral trade. Chen said it was agreed that airlines from the two countries be permitted to exchange offices which will handle travel visas.

Under the tentative accord, ROC airlines will be permitted to fly to Ho Chi Minh City and Hanoi, while Vietnam's sole state-run airline will be allowed to offer air service to Taipei and Kaoshiung.

DPRK Authorizes Travel Through Macao*OW0212043990 Taipei International Service
in English 0200 GMT 1 Dec 90*

[Text] Foreign Ministry Spokesman Huang Hsin-pi stated on Friday that the Foreign Affairs Ministry has already confirmed that the North Korean Government has commissioned a travel agency in Macao to begin issuing visas to North Korea to ROC [Republic of China] citizens. However, further details about the plan have not yet been finalized.

Huang noted that if people on Taiwan wish to travel to North Korea, they should first understand the conditions of the country and relevant regulations before applying for visas and travelling there.

Legislature Passes AIDS Control Statute*OW0112032890 Taipei CNA in English 0257 GMT
1 Dec 90*

[Text] Taipei, Dec. 1 (CNA)—The statute for the control of the Acquired Immune Deficiency Syndrome (AIDS) passed its third reading at the Legislative Yuan Friday.

The statute will take effect after it has been promulgated by President Li Teng-hui.

The statute stipulates that those who knowingly pass along the AIDS virus and infect others could be sentenced to up to seven years in jail.

Foreigners staying here for more than three months, under the statute, shall be forced to leave the country if they refuse to take blood tests or if their blood tests positive.

The National Health Administration hailed the Legislative Yuan's action in passing the statute as the disease has grown increasingly menacing to the general populace.

More than 150 AIDS virus carriers have been identified in Taiwan since the first case was reported in October 1984.

For fiscal 1991, beginning July 1, 1990, public health authorities have appropriated 60 million new Taiwan dollars (some 2.2 million US dollars) for tests and education.

Hong Kong

Deputy Governor Reiterates Position on Subversion

HK0112040090 Hong Kong SOUTH CHINA
MORNING POST in English 1 Dec 90 p 1

[By Kent Chen]

[Text] China's de facto embassy in Hong Kong yesterday reiterated its warning that Hong Kong should not be allowed to be used as a subversive base or outpost against the Beijing Government and its socialist system.

The latest statement from the local branch of the NEW CHINA NEWS AGENCY (NCNA) came only hours after the Deputy to the Governor, Sir David Ford, had stated the Hong Kong Government's position on the issue.

He made it clear the Government would adhere to the rule of law in dealing with local activists campaigning for democracy in China.

Sir David said: "We have no intention of allowing Hong Kong to be used as an outpost for subversion.

"If people operate within the law and express themselves within the law, express the freedoms within the law, then they are safe and secure to do so. If they break the law, then we will take action against them.

"That is an integral part of our system here. It is an integral part of the 'one country, two systems' and that is the principle we will stick by in future."

Sir David was speaking in response to NCNA director, Mr Zhou Nan's remarks on Thursday that Hong Kong should not be used by a handful of people as an outpost to seek to change the Chinese socialist system.

Chinese officials had repeatedly referred to the territory as a "subversive base" in the wake of the Tiananmen Square military crackdown last year.

Mr Zhou's choice of the new term of "outpost" had given rise to speculation that China might be ready to soften its stance on the sensitive issue.

But the NCNA's subsequent terse statement has quelled hopes that there might be a change of policy from Beijing.

It said Mr Zhou's comments had adequately recognised Hong Kong's importance in China's open-door policy.

"But at the same time, we must be vigilant to prevent a handful of people from attempting to use Hong Kong as a base or outpost to subvert the central people's government and the mainland's socialist system, thus undermining the prosperity and stability of Hong Kong."

XINHUA Spokesman Clarifies Zhou Nan Remarks

HK3011135090 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1055 GMT 30 Nov 90

[Report: "Spokesman for the Hong Kong Branch of XINHUA Reiterates Stand Embodied in Zhou Nan's Speech Yesterday"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 30 Nov (ZHONGGUO TONGXUN SHE)—Zhou Nan, director of the Hong Kong branch of XINHUA, gave a speech at a luncheon party sponsored by the Hong Kong Federation of Industries yesterday. This speech has evoked widespread concern in the Hong Kong media. Our reporter asked Hong Kong XINHUA about some words used in Zhou Nan's speech, including one such as "outpost." A XINHUA spokesman pointed out the following:

In his speech, Director Zhou Nan fully confirmed Hong Kong's achievements and its important position in the course of China's opening up to the outside world; he sincerely hoped that these achievements and role will continue to develop for a long time. For this reason, there is a need to conscientiously practice "two systems" under the precondition of "one country." Neither side should interfere in the other side's affairs or try to change the other side's social system; both sides should bring their strong points into play and form a good combination between their strong points to achieve common prosperity. In the meantime, we should guard against and prevent a small number of people from using Hong Kong as a base and outpost to subvert the central government and the socialist system. Otherwise this could ruin Hong Kong's prosperity and stability. This is the stand the Chinese Government and leaders have clarified on several occasions.

Group of Vietnamese Boat People Returned to Hanoi

OW0112111890 Beijing XINHUA in English
1042 GMT 1 Dec 90

[Text] Hong Kong, December 1 (XINHUA)—The first group of 23 Vietnamese boat people identified by the United Nations High Commission for Refugees (UNHCR) as being "not opposed to returning home" was sent back to Vietnam by air today.

The repatriation was conducted in accordance with an agreement signed between the governments of Vietnam, Britain, Hong Kong and the UNHCR in Hanoi in September to set up a second program for the return of those boat people who did not object to going home.

The group under the new category comprises 12 men, five women, two boys and four girls.

Also on board the plane was a further group of 83 boat people who were returning to Vietnam under the UNHCR's voluntary repatriation program.

This brings the total volunteers leaving Hong Kong to 5,829 since the voluntary repatriation program started in March 1989.

More Than 5,000 Residents May Carry AIDS Virus

*HK0212035490 Hong Kong SUNDAY STANDARD
in English 2 Dec 90 p 1*

[By Stuart Becker]

[Excerpt] A leading Government expert says 5,000 Hong Kong people may have the virus that causes AIDS, more than 33 times the official estimated of 149.

Dr Patrick Li, of the AIDS Counselling and Health Education Service at the Queen Elizabeth Hospital, said this was a conservative estimate of how many people might test positive for the Human Immuno-deficiency Virus (HIV) which causes AIDS.

This was a more realistic figure than the official one, according to which there are 149 "officially" diagnosed HIV carriers and 43 with the full-blown AIDS disease, he said.

Another AIDS expert, Dr Vincent Lam, predicted that the number of HIV carriers would increase five-fold to 25,000 by 1995. This was also conservative.

"Assuming that AIDS in Hong Kong follows a similar course to that of countries where it has been prevalent since 1981, we can expect to see a substantial increase in HIV-infected people, both male and female, adults and children, over the next three to five years, with most of these going on to develop full-blown AIDS in that time span.

"This will mean that these carriers, their families and friends, literally tens of thousands of individuals, will have to come to terms with AIDS."

If Hong Kong does not wake up to the problem, AIDS will take the territory by surprise, according to a group of volunteers, the Comfort Care Concern project.

The disease is spreading much faster among heterosexual women than previously thought, according to Lam, vice president of Comfort Care Concern.

The group used World AIDS Day yesterday to launch a helpline, enabling Chinese and English speakers to make confidential calls about AIDS. [passage omitted]

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